



# THE INDEPENDENT

N° 3,129 WEDNESDAY 30 OCTOBER 1996 WEATHER: Cloudy with sunny south (MSP) 40p

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## Minister backs use of the cane and Tories learn painful truth: This hurts us more than it hurts you

Anthony Bevins and Colin Brown

The Prime Minister yesterday combined with the Secretary of State for Education, Gillian Shephard, to deliver the latest in a series of self-inflicted wounds on their own Govern-

ment. Within three hours of Mrs Shephard endorsing a suggestion that caning might be reintroduced in schools, John Major ordered officials to issue a humiliating repudiation.

The instant u-turn adds to the disarray that has marked all Government activity since the Commons returned from its summer break earlier this month.

### HOW MAJOR STOOD ON HIS HEAD

**GUNS**  
Backs Cullen Report over keeping handguns at secure gun clubs

**STALKING**  
Within hours turns it into official Government legislation

**PAEDOPHILE REGISTER**  
Again wants to leave it to back-bencher

**KNIVES**  
Action said to be impossible because of problems over definition of weapon

**CATTLE CULL**  
On Monday says: "The Government is not proceeding with the selective cull" involving the slaughter of a further 125,000 cattle

But it was the Labour leader, Tony Blair, who chronicled the full history of u-turns.

"In fewer than seven days since Parliament came back," he said, "the Government has been forced to make u-turns on stalking and paedophile registers."

On the promised gun law, the Prime Minister and other ministers insisted throughout the summer that the Cullen Report on the Dublin massacre would be implemented.

Before the report was published earlier this month, however, Mr Major decided to respond to public concern by going much further than Lord Cullen - banning all bar 22 pis-



tol, which will have to be held securely in gun clubs.

Last week was marked by two sudden turns: on stalking and the paedophile register.

Having initially argued that legislation on stalking was difficult, the Government decided to legislate using the Private Members' Bill process.

Then, in the middle of his speech on the pre-election legislative programme last Wednesday, Mr Major seized on the reiterated promise of Opposition co-operation, agreeing to turn it into official Government legislation.

Delivering a double whammy, the Prime Minister did the same for the register of sex offenders - having said that it would be left to the vagaries of backbench legislation, he agreed that it would be put through Parliament under Home Office sponsorship.

A similar chop-and-change pattern of Government conduct applies to combat knives.

After Mr Major invited other offers of Opposition co-operation, to build on stalking and the paedophile register, Mr Blair on Thursday suggested co-operation to ban combat knives - which was instantly spurned by the Prime Minister, on the

## Post staff strike early for Christmas

Barrie Clement  
Labour Editor

Leaders of 138,000 postal workers are today expected to announce a vote for fresh industrial action which could seriously disrupt Christmas mail.

Three-quarters of the postal workers - similar to the proportion which voted in the first ballot - are believed to have given the Communication Workers' Union (CWU) a decisive new mandate for action.

Management and the union have already started informal negotiations behind the scenes in anticipation of a Yes vote. The talks are likely to be put on

an official footing later this week. The union will then have to stage its first stoppage within 28 days, meaning that walk-outs could coincide with the Christmas rush.

Both senior managers and Alan Johnson, joint general secretary of the CWU, said yesterday that exploratory discussions had shown there was a basis for negotiation. "The important thing for our members, the business and the public is that the service suffers the minimum amount of disruption while the Royal Mail and ourselves settle our differences," Mr Johnson said.

The ballot result raises the prospect of a three-month suspension of the Royal Mail's letters monopoly and comes in the wake of eight stoppages by delivery and sorting office workers which cost an estimated £40m. Ministers lifted the monopoly for a month during the summer, but have warned that more walkouts would result in a longer suspension.

It also comes at a politically sensitive time for the Labour Party, with just seven months to go before the general election. Moderate sources in the union, who are unhappy about the prospect of further action, say they are convinced their members have voted for more

disruption. "They would vote against the Royal Mail on any issue at the moment," one official said. Members of the CWU at the Post Office also have a long history of backing their leadership, which has urged them to vote yes.

A Mori poll of postal workers, partly commissioned by the union, discovered overwhelming support for a rebalancing of the campaign of industrial action.

Senior managers, who also expect a mandate for fresh stoppages, are prepared to offer more money in return for the efficiency measures which include the introduction of team-

### QUICKLY

**Swift wins Booker**  
The £20,000 Booker Prize for fiction was won last night by Graham Swift, whose novel *Last Orders* received a 3-2 majority vote from the judges. Swift, 47, was the bookmakers' odds-on favourite. It was his fifth novel. Page 3

**Crisis in Zaire deepens**  
The crisis in central Africa escalated dramatically as Rwandan and Zairean troops exchanged gunfire and mortar rounds across the river which forms the border between the two countries. Page 11

**Palestinian death**  
A boy of 11 was fatally shot near Bethlehem. His family said he was killed by a Jewish settler with a kick as he came home from school. Page 10

**Age less of a problem**  
Assumptions about a "ticking time bomb" over the growing cost of care for elderly people has been exploded by the latest Government figures. Page 6

## Prudence fails to talk on mis-sold pensions

Nic Cicutti

Hundreds of thousands of people who were mis-sold a personal pension have still not been offered any compensation for their losses, almost a year after a deadline was set for insurance companies to deal with the scandal.

Miners, nurses and teachers are among those still waiting for companies that wrongly advised them to leave their occupational pension schemes to deal with their claims.

Confidential documents obtained by *The Independent* show that 26 companies, including many household names, made up almost three-quarters of the 563,000 "priority cases" still under review.

The 26 companies, which include the Prudential, have identified more than 360,000 priority cases where the advice is thought to have been highly damaging or where a person is either close to retirement or dead. Redress has been offered to only 500 people.

The documents were compiled by the Personal Investment Authority (PIA), the watchdog in charge of the compensation process, for its board meeting earlier this month. The information was deemed so sensitive that board members were told to return their copies afterwards.

### Worst offender: Prudential has 41,000 priority cases

By contrast, independent financial advisers, who have sold more than 40 per cent of personal pensions, contribute 15 per cent of mis-selling cases.

The recent PIA report comes as the annual report by its consumer panel yesterday said progress of the pension review has been "painfully slow".

"We have warned of the implications for future consumer confidence," the consumer report said. "Distrust will discourage people from making provision for the future at a time when doing so has never been more important."

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## news

## Canes stripe the flesh of education policy

Clear Blue Water Muddied. Part Two. With the thugs locked up for life or longer, their weapons de choix banned and all parties marching discordantly and incoherently behind the banner of social cohesion, it was time to turn Parliament's fabled attention to that other great source of criminal behaviour and delinquency: Britain's schools.

But, just as knives had cut up the Government's finely planned crime strategy on Monday, so canes put stripes on the delicate flesh of its education policy yesterday. At breakfast time the Secretary of State for Education, Gillian Shephard, had appeared to back the return of the cane, but by the time



DAVID AARONOVITCH

lunch was on the table she had received an admonitory correction from John Major. His chosen instrument was a mobile phone and his message was clear: no whacking.

Given the way things are going down at Westminster, we have thus been spared a very nasty escalation of legal child-

battering. Had the Tories endorsed the cane, how long would it have been before Labour rediscovered the birch? Or the SNP the tawse? Or John Redwood (citing the glories won by our Navy in the 19th century) the cat o' nine tails? Knives would have been banned, except for use upon our own children by an authorised member of the NASUWT. (To be fair, let me make it clear that I would not want to do the job of members of that union. And nor, apparently, do they).

But by the time everybody got together for Prime Minister's Questions, Mrs Shephard's on-the-hoop policy-making had already fallen at the first jump, and all in the chamber were

whispering about it. As usual there were three camps: those who had experienced caning and didn't like it (Labour), those who had experienced it and did like it (Tory) and those who had never experienced it (women MPs and Liberal Democrats), some of whom liked it on others' behalfs.

Several Conservatives, like Tony Marlow, made clear their disappointment at the turn that events had taken. He told Mrs Shephard later (during the education part of the debate on the Queen's Speech) that he would be bringing an amendment to her Education Bill, authorising the return of corporal punishment.

Mrs Shephard—speaking, as

always, like the sensible chairwoman at a hospice association AGM—refused to say whether or not she would vote for such a measure, but “my personal view is that corporal punishment can be a useful deterrent”. At which a little sigh of pleasure rippled along the Tory benches, as inner images of *La Belle Gille Sans Merci*, of lowered trousers and hot buttocks, of things that never did them any harm, passed from member to member. All taken away (as usual) by Kiljoy Major, who, according to Mrs Shephard, “takes a different view”.

Never mind, because there were still exclusions and detentions to come. At the weekend Nigel de Gruchy of the

forementioned NASUWT had estimated that 150,000 pupils needed to be excluded from school. And Mrs Shephard's Bill will make it that much easier to exclude them. But, as I sat in the gallery, I couldn't help wondering where all these exclusions were going to go. They won't be able to gather outside the old knife shop, as in times of yore, or go down to the shooting range. A spot of burglary is likely to lead to a life sentence.

Then the answer hit me; they must all get married. What could be a more positive way of transmitting family values to the very young than to insist on their betrothal? Trump! that, Beryl.

Punishment debate, page 4

## significant shorts

## Trial witness buy-ups to be banned

Media buy-ups of witnesses ahead of high-profile trials should be banned, the Government said yesterday.

The proposal follows what Lord Mackay of Clashfern, the Lord Chancellor, called “widespread and flagrant” breaches of the Press Complaints Commission's

voluntary code of practice in the Rosemary West Gloucester murders case. But a consultation paper left open whether the ban, on payments in cash or kind, should take the form of a specific criminal offence or a contempt of court.

While chequebook journalism has a lengthy history, the Government has suggested for the first time that editors flouting new legislation should face jail terms of up to two years. *Patricia Wynn Davies*

## Sentencing under attack

The calculation of the length of prison terms came under fresh attack in the High Court yesterday from two inmates serving concurrent sentences.

Michelle Evans, 22, serving two years for burglary, robbery and assault, claims 135 days she spent on remand should be deducted from her sentence instead of the 73 calculated by the Prison Service. Paul Reid, 19, is claiming credit for some 335 days.

Lawyers told the court that the current practice of taking account only of the shortest of two or more remand periods instead of the total number of days spent on remand was unlawful. *Patricia Wynn Davies*

## Drug hope for arthritis relief

New treatments for arthritis are possible after scientists identified a naturally occurring protein which can “switch off” the inflammation leading to the destruction of bones and cartilage.

Scientists at the William Harvey Research Institute, London say drugs that mimic the action of the protein would reduce the damage to joints. An estimated half a million people suffer from rheumatoid arthritis in Britain; the majority are women over 50. Many sufferers rely on full-time care. *Liz Hunt*

## Radio 1 plans visuals

Radio 1 on television is one of BBC TV's working ideas for new channels disclosed yesterday. The BBC wants to offer its own version of MTV when it launches its first British subscription channels on cable and satellite. The corporation says One-TV will bring the “spirit and essence” of Radio 1's “cutting-edge music policy” on to the small screen with videos, interviews and concerts.

The plans were revealed following the announcement of the BBC's negotiations with the cable company Flextech to launch subscription channels in this country as a joint venture. Other proposed channels, some of which should be available next summer, include Showcase, for classic drama and comedy; Arena, for music, theatre and arts; Sports Entertainment Network – and BBC Catch Up TV, offering repeats.

## Costs soar on Tube link

Construction costs for London's Jubilee line extension to the east of the capital and upgrading of the existing underground route have risen from £2.1bn to £2.6bn over the last three years, Transport minister John Bawie indicated last night in a Commons written reply.

## Dissolving social glue lets in crime

The rise in crime and “no-go” neighbourhoods is linked to a collapse in major institutions which encourage social cohesion and civil responsibility, according to a new study published by the Foundation for Civil Society, an independent research organisation.

Churches, trade unions and political parties have all suffered a dramatic fall in numbers over the last century – membership of the Church of England has fallen by 40 per cent since the Thirties and that of the Catholic Church by one-quarter in the past 25 years. Informal day-to-day social relationships such as good neighbourliness is also in decline, the report says.

Barry Knight, secretary to the foundation, said: “People's lack of civic involvement has gone hand-in-hand with a growing sense of their own powerlessness.” *Susan Emmott*

## Miners begin health claims

What could become the highest health compensation claim was launched yesterday by six former miners and two group of potential claimants, who allege that British Coal wrongly denied coalminers payments for a range of chest illnesses linked to exposure to coal dust.

The ex-miners are to give evidence of their illnesses in hearings at Cardiff and Sheffield before the case transfers to London after Christmas. Stuart Brown QC said if British Coal had been able to compensate for the lung disease pneumoconiosis, then it should also be liable for other conditions such as bronchitis and emphysema. *Patricia Wynn Davies*

## Children's homes tribunal

The use of eight former police officers by the North Wales Abuse Tribunal to interview witnesses and collect evidence prior to January has been criticised by victims of abuse who say a number of officers have been named as alleged abusers over the years. They maintain that while the former police officers have no connection with the case, they will be viewed with suspicion.

The tribunal, the biggest of its kind and chaired by Sir Ronald Waterhouse, says the former officers have been carefully vetted and have no previous connection with the investigation into the abuse of children at home across North Wales. *Roger Dobson*

## No appeal on liver baby

There will be no petition to the House of Lords against a Court of Appeal judgment upholding a mother's right to allow her 18-month old son to die rather than undergo life-saving liver surgery, a spokesman for the Official Solicitor, who represents the child's interests, confirmed yesterday.

Last week, three judges overturned an order on the mother to bring her son back to Britain for treatment, ruling that decisions affecting the life of children lie with “devoted parents” to whom their care is “entrusted by nature”.

## Nurses change uniforms

Staff at a Warwickshire hospital are being trained as special constables to patrol corridors and wards in police uniform. A porter and receptionist have already started their beat at the Hospital of St Cross in Rugby. Another two, a porter and nurse, are undergoing 28 days training and begin patrolling next weekend. The special constables have the power of arrest.

## Bungle lets bank fraudster go free

Patricia Wynn Davies  
Legal Affairs Editor

The man at the centre of Britain's biggest banking fraud is set to walk free from Brixton jail today after the Home Office bungled his extradition to the United States on corruption charges.

In the latest court humiliation for Michael Howard, the Home Secretary, the High Court ruled yesterday that Syed Ziauddin Ali Akbar, had spent too long awaiting extradition since his arrest in September last year. “The time has come to say enough is enough. He is discharged from custody forthwith,” Lord Justice Rose, sitting with Mr Justice Maurice Kay, said. Akbar has served an 18-month sentence for conspiring to launder drug money and was given six years on 16 counts of false accounting for his part in the collapse of the Bank of Credit and Commerce International.

The US authorities have until 10.30 today to decide whether to seek to appeal.

Under extradition rules a person under detention can apply to the High Court after two months for release, which must be granted unless the UK authorities could show “sufficient cause to the contrary”. Lord Justice Rose said he was “wholly unpersuaded” that the Home Office had shown sufficient cause.

After his arrest it was “embarrassing” consequence that the US may now have to wait years for a new application to be completed before Akbar can be brought to justice in America. It is the latest in a string of adverse legal judgments against the Home Secretary across a range of immigration and law and order issues.

The court rebuff has the embarrassing consequence that the US may now have to wait years for a new application to be completed before Akbar can be brought to justice in America. It is the latest in a string of adverse legal judgments against the Home Secretary across a range of immigration and law and order issues.

The problem began when Akbar was released on parole in 1991 during his 18-month drug-trafficking sentence and fled to France, which later extradited him to Britain to face the BCCI charges.

The US wanted him extradited to face a charge that he had accepted a \$15m (£9.3m) bribe from BCCI “as his price for not disclosing to a US senator details of corruption”. But the French authorities blocked the move because they had only agreed to his extradition to Britain on money laundering charges. A lengthy exchange over procedural points then took place between the two countries.



Inside story: Mikhail Gorbachev, the former Soviet president, at a signing session for his memoirs at Harrods in Knightsbridge, London, yesterday. Photograph: David Giles/PA

## Police forces' race bar for top jobs condemned

Patricia Wynn Davies

Entrenched racism and sexism, barriers to promotion and discriminatory bullying are still rife in the police service in England and Wales, the Chief Inspector of Constabulary's annual report revealed yesterday.

Despite the “substantial progress” made since an equal opportunities review in 1992 the report, compiled by Sir Trefor Morris for the year 1995-96 but presented by his successor David O'Dowd, spotlights a series of areas of concern.

There is a small but continuing rise in the recruitment of female and ethnic minority officers, but progress up the promotion ladder or into specialist roles is “far slower”, the report said.

There were still “entrenched attitudes that frustrated progress, and a rise in reports of oppressive bullying.” There is a continued and unacceptable level of racist and sexist banter. While more covert and subtle than before, it is nevertheless destructive.

The report added: “Stories of harassment and discrimination against civilian staff were of particular concern, especially when accompanied by reports of unacceptable behaviour going unchallenged by peers and superiors.” Lack of faith in grievance procedures was “particularly worrying”.

The report urged “perspective” and that its findings should

not be taken “automatically as a worsening of the position in forces, more a willingness of the police service to confront the issues”. But it admitted that “the concept of a diverse workforce has been slow to take root... While the strategies and mechanisms are in the main in place, they will be ineffective unless accompanied by a shift in culture and attitudes.”

The criticisms come amid a string of tribunal defeats and out-of-court settlements over harassment and discrimination.

Around 60 per cent of forces improved their clear-up rate for violent crime and more than half improved the speed of their response to emergency calls, Mr O'Dowd said. But he conceded there was “considerable room for improvement in the detection of ‘volume’ crime”.

Only 24 per cent of reported house burglaries were detected nationwide, with Northumbria and Humberside (13 per cent) and Greater Manchester (14 per cent) recording the lowest clear-up rate. Dyfed-Powis (51 per cent), Gwent (43 per cent) and Lincolnshire (41 per cent) topped the league.

Mr O'Dowd also expressed concern about the level of sickness among front-line officers. Although the same as last year – an average of 11.9 days per officer – the report said “high levels of sickness can be a reflection of low staff morale and indicative of more serious problems elsewhere”.

## Ceasefire scare after UVF man is shot dead

David McKittrick  
Ireland Correspondent

John Major yesterday announced plans to meet the political representatives of loyalist paramilitary groups, just hours after a leading loyalist was gunned down and killed on a north Belfast street.

The murder, shortly before 2am yesterday, at first led to concern that the fragile loyalist ceasefire was collapsing. Within hours, however, both loyalists and security sources said paramilitary groups had not been involved in the killing.

Both the security forces and loyalists maintain that the motive for the shooting was financial rather than political, though the dead man was, until last week, a senior figure in the illegal Ulster Volunteer Force.

He was Thomas George Stewart, a 32-year-old father-of-two, who was shot several times as he walked near his home in the tough Ballysillan area.

Mr Stewart was UVF commander in north Belfast until last Friday, when he and another senior UVF man were “stood down” by the organisation. Loyalists said the two had been responsible for a “home” – the armed robbery of a local post office.

The UVF men had denied involvement in the hold-up, in which a reputed £50,000 was stolen, but loyalists said the UVF had established they were responsible. The killing ap-

pears connected not with this episode but with another incident some weeks ago, when Mr Stewart and his colleague fired shots at an ex-UVF member in another dispute over money.

Loyalists and security sources said they believed it was this ex-UVF member who was behind the attack on Mr Stewart. They speculate that he believes the organisation would not seek revenge for the killing of a member who had been stood down in disgrace. A man and woman were yesterday in custody for questioning about the shooting.

A decade ago Mr Stewart faced serious terrorist charges in a major “supergrass” case, but escaped conviction. His associate who was expelled with him last Friday took part in talks with government officials last year.

Mr Major, in agreeing to meet loyalist representatives in three weeks time, specified that the meeting will only take place if the ceasefire holds. He will meet the Ulster Democratic Party, which represents the Ulster Defence Association, and the Progressive Unionists, who speak for the UVF.

## “How could anyone leave poor Gypsy to suffer like this?”



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Claire Chapman Head Girl.  
ILPH Rest & Rehabilitation Centre, Norfolk.

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# A Swift one at the fourth attempt

David Lister  
Arts News Editor

THE £20,000 Booker Prize for fiction was won last night by Graham Swift. The 47-year-old Londoner's novel *Last Orders* won on a 3-2 majority vote.

Swift was the bookmakers' odds-on favourite but it is understood that at the judges' meeting chaired by Carmen Callil, the publisher and writer, his book faced a late challenge

from Seamus Deane, the Northern Irish author, and his book *Reading the Dark*.

Miss Callil said last night: "Choosing the winner was tortuous but we eventually settled on *Last Orders*, a wonderful book that will give great pleasure to thousands of people."

Swift has written five novels and has been translated into more than 20 languages. He was short-listed for the Booker in 1983 for his novel *Waterland*. His latest book relates the

story of a bizarre day's outing when four friends of a London butcher try to honour his wish to have his ashes scattered at sea.

One Booker insider described the novel as "a nice popular romp" adding that perhaps it lacked the grand scale of the entries by Margaret Atwood and Robinson Mistry. Ms Atwood, who has now been short-listed three times, has yet to win the prize.

Miss Callil herself reviewed Swift's

book earlier in the year and wrote: "His characters live in the mind, a gift only a few writers give us." He was presented with a cheque for £20,000 at the prize dinner in London's Guildhall.

Swift, a keen fisherman and close friend of Salman Rushdie, is the son of a civil servant and read English at Cambridge. *Last Orders* is published by Picador.

In her speech Miss Callil, the founder of feminist publishers Vi-

rago, attacked what she called a small clique of critics who denigrated English novels while over-praising modern American literature and writers from the Third World.

She also attacked writers' agents for being greedy and publishers for overworking editors. But it was modern critics whom she particularly singled out.

She said she doubted whether they read English novels.

She added: "Obsessive denigration

of English fiction is the dying chirrup of some sort of imperial misery. English novelists are no longer the greatest in the world, therefore they must be the worst."

She went on to say that English writers had become a threatened species: "English writers cannot stand up and say, 'I'm English and I'm writing about life in my vibrant, interesting/boom laden country with the confidence of a Scots or Irish person.'"

Graham  
SWIFT



First class: 'Last orders'

## Terrrible year: no tantrums

Ian Jack

One morning last January an oblong envelope stamped "private & confidential" arrived at the offices of Granta. The "private" was in blue ink and the "confidential" in red. The two colours and the ampersand suggested a correspondent with a screw loose, or an old-fashioned way of doing things.

The second was the correct guess. The letterhead announced an antiquarian book-seller, Sotheran's of Sackville Street: the letter, from the shop's owner, Martyn Goff, invited me to be a judge in this year's Booker Prize.

This is an odd business. Goff (who had no loose screws) is the prize's administrator and acts on behalf of its invisible management committee. For almost 30 years he has been sending out judicial invitations on the notepaper of a second-hand book-seller. It seems to work. I accepted at once, and not only because the fee was £3,000. (What else then? Vanity, I suppose, and for "the experience".)

I won't mention the books. Far too many pieces by former judges have gone about the dreadful job of reading them, as though they have just spent six months down the pit. In any case, you do not want to know about the books. You want to know about judicial splits, rows and tantrums, and about that virago who was chairing us, Carmen Callil.

Disappointment here, I'm afraid. Callil was sweet reason. The meetings were well-run. Opinions were firmly held and well-expressed, but no tempers were lost. From the publicity angle, and publicity is the reason for the Booker's success, this has been a terrible year. No shipwrecks, nobody drowned, nothing to laugh at all. Some wonderful books, though, and a shame that the shortlist had to be confined to six.



Graham Swift: His 'nice, popular romp' about a day's drinking won by a majority of 3-2

## No guarantee of fame and fortune

By David Lister  
Arts News Editor

Neither the winner nor the runners-up on last night's Booker shortlist should get too starry-eyed about the prospects of future fame and fortune.

The shop window displays that a Booker shortlisting makes likely, and a win guarantees, are a quick fix for always followed by lasting sales or even lasting literary fame.

How many bookshelves contain the first Booker Prize winner in 1969, PH Newby's *Something to Answer For*, or David Storey's *Saville*, the 1976 winner. If you don't possess the latter it's too late to remedy that now. *Saville* is out of print and that particular Booker winner has been deleted by publisher Jonathan Cape.

It is, of course, true that the Booker list of winners since 1969 also contains some of the biggest names in British fiction — Iris Murdoch, Kingsley Amis, Salman Rushdie, William Golding, VS Naipaul and Paul Scott. But with the exception of Rushdie, these writers were at the peak before winning the Booker, and neither their sales nor the esteem in which they were held by their peers changed radically. Rushdie's *Midnight's Children* sold only 37,000 copies in hardback despite its Booker win, though it is still selling in paperback. The continuing success of these already established authors is not always replicated by the relative unknowns who achieve Booker fame. Eleven years ago Kerri Hulme's *Maori* novel, *The Bone People*, won the prize and in shifting only 32,000 copies was the worst selling Booker winner ever. She made no further impact on the British literary scene.

Others have fared rather better. Anita Brookner had over sold more than 3,000 copies in hardback before *Hotel Du Lac* took the prize in 1984 and went on to sell

90,000. Kazuo Ishiguro's *The Remains of The Day* won in 1989 had an additional 50,000 sales attributed to winning the Booker, and Thomas Kenally's *Schindler's Ark* had an initial print run of 15,000, but in the four weeks after winning the prize it sold 75,000 in hardback.

Yet even these winners have not always looked back with happiness or gratitude on the prize that made their names. Anita Brookner once said: "Winning the Booker has had no impact on my career, and your reputation sinks rapidly after winning the prize." A more measured view came from Stanley Middleton, whose novel *Holiday* was joint winner in 1974. He remarked: "You're always referred to as a Booker Prize winner thereafter, so I guess it makes a difference, and my local university did give me an honorary degree. Both Nadine Gordimer and I, who won it jointly, said it wouldn't make any difference, but she went on to win the Nobel prize. But it didn't make me a fortune."

Gordon Kerr, marketing manager for Waterstone's bookshops, says that bookshops will order in further copies of the winner because public interest will be generated by the press and television reports. Last year there was a 300 per cent increase in orders for the winner, Pat Barker's *The Ghost Road*. The winner will certainly be put on display.

Perhaps the best play is to be excluded from the Booker shortlist and find that press outrage over the exclusion, puts on sales. In 1989 when Ishiguro won there was just such public, or at least press, bafflement that neither Julian Barnes's *A History of the World in 10 and a Half Chapters* nor Martin Amis's *London Fields* was even shortlisted. The ensuing publicity helped each to sell more than 40,000 in hardback. Both have continued to thrive financially and artistically. Both have international reputations. Neither has won the Booker Prize.

## America's Mrs Lawrence goes to the polls

David Usborne  
Mineola, New York

The candidate winces as journalists place their tape-recorders before her and a photographer crouches to take some shots. The polls say she is on her way to a seat in the House of Representatives. But here is not the bearing of a politician lusting for power.

In the US elections there can be no more reluctant a campaigner than Carolyn McCarthy. A nurse and a registered Republican, Mrs McCarthy is running as the Democrat candidate in the Fourth District of New York, just to the east of New York City on Long

Island. But there are few voters on the island, or indeed across the nation, who do not know what has brought her here.

Mrs McCarthy is running because of one tragic night, two and a half years ago, when a lone gunman went berserk on a Long Island Railroad train travelling from Manhattan and shot dead six commuters. One was her husband, Dennis. Among the seriously injured was her son, Kevin.

The parallels with Frances Lawrence, whose husband Philip was murdered last December by a teenager outside the London school where he was headmaster, are striking. Mrs Lawrence last week called

for a moral crusade. Mrs McCarthy, aged 50 at the time of the murder, quickly turned her grief into a campaign against gun ownership.

She only began pondering running for Congress in March this year when, in her fury, her district's Republican incumbent, Dan Frisa, cast a vote in favour of repealing a ban on assault weapons. A few weeks later, the House Democrat leader, Richard Gephardt, personally called her to ask her to become a candidate. She did not even know who he was.

Tonight, at a pre-election candidates' debate (for which Mr Frisa is a no-show), Mrs McCarthy does not speak directly

of the massacre. Kevin, though, whom she has nursed from paralysis to nearly complete recovery, is in the audience.

She mentions Dennis once. In answering a question on the environment, she relates a night when he caught a sea bass off Long Island a few years ago and, in acknowledgement of their scarcity, threw it back.

A shy person, Mrs McCarthy is not finding the campaign easy. It is exhausting and, above all, she has loathed the business of raising funds.

"They said this would be fun," she jokes in an interview after the debate. "Sitting is fun. Playing golf is fun. This isn't fun."

Asked about her decision to enter politics, she says: "You don't just wake up one morning and say 'I'm going to run for Congress'. It took six weeks for me to agree to do it. But I had to do it. I had to force myself to do it and I know my husband would be very proud of me."

From a national point of view, her candidacy is important. The Democrats have a chance to win back control of the House and races such as this will be pivotal.

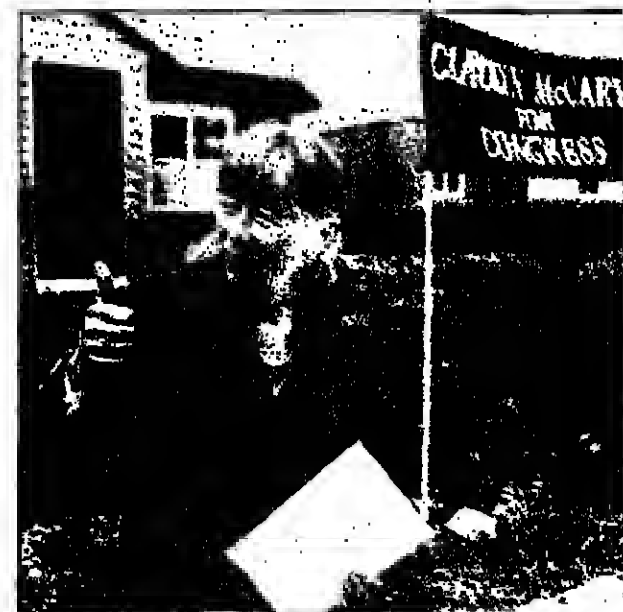
Her opponent, Mr Frisa is one of the 1994 Republican freshmen who travelled to Congress to do battle for Newt Gingrich and the Contract for America and who now find

themselves on the wrong side of a changed of electoral mood.

While she is nine points ahead of Mr Frisa in the latest polls, Mrs McCarthy is vulnerable to the charge that she is a one-issue candidate.

She knows it but shows no sign of embarrassment. "Gun violence is the end product of what is wrong with this country," she tells the appreciative debate audience.

Yesterday she received the endorsement of the *New York Times*. "Her obvious strength of character, her progressive views on social issues and uncommon empathy for the needier constituents would make her an outstanding representative."



Carolyn McCarthy: 'I know my husband would be proud of me'

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## news

Punishment debate: A bad day for the Education Secretary after comments in radio interview set her at odds with Major

# Shepherd takes a caning from PM

Colin Brown and Judith Judd

Gillian Shepherd faces fresh embarrassment after being disciplined by the Prime Minister over her support for the restoration of caning in schools.

Right-wing Tory MPs led by the maverick Tony Marlow said last night they would force a Commons vote on corporal punishment during the passage of the Education Bill, to be published today.

Mrs Shepherd will have to toe the line agreed yesterday with the Prime Minister and refuse to support the move, in spite of earlier underlining her belief that corporal punishment can be a deterrent.

She told Tory MPs: "The Prime Minister takes a different personal view, but the government position is we are not putting the restoration of corporal punishment into the Bill."

The trouble began when the Secretary of State for Education, not normally thought of as a member of the party's hanging and flogging wing, told the BBC Radio 4's *Today* that the Government had been looking at the legal implications of bringing back corporal punishment and hinted that backbenchers might amend the Bill.

By 9 am, Downing Street became alarmed that reports of Mrs Shepherd's readiness to restore caning were leading the BBC news. As Mrs Shepherd headed by train for the opening of a sixth form college in Weybridge to Surrey, Downing Street officials contacted her press officer to say the Prime Minister wanted to speak to her.

The Prime Minister's office said Mr Major pointed out to her that he faced questions

and she would be opening a debate on education that afternoon. "Let's go through the position we are going to put forward together," he said.

He reminded her the Government was against caning being restored, because of the practical difficulties. The European Court of Human Rights had ruled against caning, and Britain was left with no alternative but to accept the judgment. The Education Bill contained measures to improve discipline in schools but in the consultation process, none of the teachers' unions had called for a return for corporal punishment.

Teachers, who believe that discipline problems in a handful of schools are being exploited by politicians, were furious and amazed. Peter Miller, president of the Secondary Heads Association, said: "I am so disappointed that Gillian Shepherd has been tempted into saying something about corporal punishment. There is no way we can turn the clock back."

MPs suspected that Mrs Shepherd had been trying to outflank Labour on discipline in schools, even if it meant bouncing the Cabinet. The Prime Minister's office later vehemently denied that she been "caned" by Mr Major. But there was no hiding the discomfort felt over the issue.

Solicitors acting for the mother of the 10-year-old boy at the centre of the discipline dispute at Manton School in Nottinghamshire plan to seek a judicial review of the decision to close it. In Halifax, inspectors went into Ridings School where teachers want at least 20 pupils to be expelled.



Disciplined approach: The headteacher Nicholas Debenham, who believes there are benefits in corporal punishment. Photograph: Adrian Dennis

## Caring headteacher who believes beating can be good for his boys

Charlie Bain and Louise Jury

St James independent school for boys in Twickenham, south-west London, is one of the last bastions of corporal punishment.

While most public schools have bowed to political pressure in the last decade and followed state schools in abolishing the cane, St James has struck a traditionalist stance.

Yet in explaining the policy, Nicholas Debenham, the headmaster, discusses care for the pupils as much as discipline and describes his school of 180 boys

as very happy. "You've got to have love on one hand and discipline on the other - an awful lot of love and a little bit of discipline," he said.

"If you have that and a proper relationship of trust and respect between pupils and teachers, which is what there should be, then that's the real foundation for the child's education."

The cane - three strokes administered to the backside - is an ultimate sanction when pupils behave really badly.

"There are certain things I wouldn't put up with," Mr Debenham said. He cites de-

liberate cruelty to another child, repeated lying to gain advantage, or serious theft.

But there is nothing vicious or violent about caning. "People should be able to tell the difference between a vicious assault and properly measured discipline," he said.

He believes punishment is preferable to expulsion. "If you expel the boy, you just pass the problem on to someone else."

Outside St James, the pupils were adamant that corporal punishment worked.

Richard Smith, 16, said that he had received one stroke of the cane when he was aged 12

for skipping a number of detentions.

"I accepted it because I realised what I'd done," he said. "Lines wouldn't have been a deterrent and detention obviously wasn't, but getting the cane made me think again."

Another pupil, Simon Bonell, 17, admitted he was worried about the cane when he first arrived at the school.

"I think a lot of the younger boys are worried about the cane, but that's why it's such a good deterrent," he said.

"I went through a stage where I missed class a lot. One day I didn't go to assembly and

the culmination of offences meant I got two strokes of the cane. I had bruises for a couple of days but I learnt my lesson."

Minal Patel, 16, who arrived in the fifth form at St James five weeks ago from another public school, Mill Hill in north London, said he immediately noticed the high level of discipline at the school.

"It's a lot stricter here than at Mill Hill," he said. "That, no doubt, is due to the cane to some extent. But a lot of my friends thought it was kind of strange to come to a school that dished out corporal punishment."

In 1993, the court decided that slipping a boy three times on clothed buttocks did not breach the European Convention on Human Rights, but said the decision was not to be taken as indicating that it approved of corporal punishment.

## Whacko does not produce better pupils

Judith Judd  
Education Editor

Pupils do not behave better if they are beaten. The influential Elton committee concluded in 1989 that "punitive regimes tend to be associated with worse rather than better standards of behaviour".

Nor would corporal punishment stop the present spate of exclusions of unruly pupils. The committee, which reviewed all the research evidence, found that "those schools which relied most on corporal punishment tended to exclude more pupils". It also pointed to "some evidence that standards of behaviour tended to be worse in schools which make more frequent use of corporal punishment".

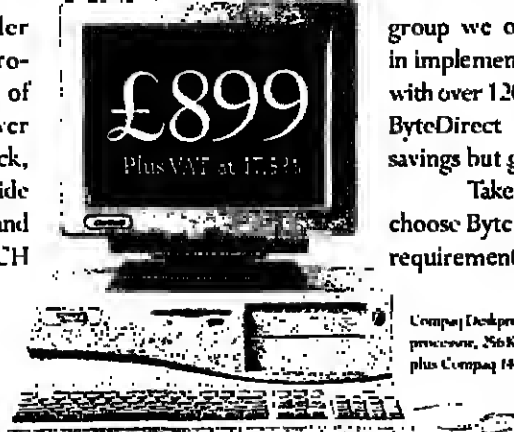
Most other countries realised this before Britain. The British government banned corporal punishment in state schools 10 years ago, the last country in Europe to do so. The first to outlaw beating in schools was Poland, 203 years earlier.

Independent schools in Britain are still allowed to beat pupils, except those on government-funded assisted places, but heads of the leading schools frown on all forms of corporal punishment.

The Government introduced legislation to ban beating in state schools in 1985 after it had paid compensation to several parents who were backed by a ruling from the European Court of Human Rights. Since then, parents of two independent school pupils have taken their cases to the European Court. The Government paid compensation to a boy who had been caned at Brighton College to stop the case going to court.

In 1993, the court decided that slipping a boy three times on clothed buttocks did not breach the European Convention on Human Rights, but said the decision was not to be taken as indicating that it approved of corporal punishment.

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# Ten slow years on the road to hell

The unwary go in circles round it. Others are glad if they are going at all, James Cusick says on the M25's unhappy birthday

"Aaaaahhh! I hate it." A circular road celebrated its 10th anniversary yesterday and nobody wanted to say "happy birthday". Paris might have its chic *periphérique*. But nothing complimentary rhymes with M25, which is just as well. Only on the car radios of the schizophrenic or in the dreams of fantasists will you hear the words "And on the M25 this morning everything is flowing well".

Yesterday the birthday road did not disappoint any of the 7,000 regulars who travel part of its 117 miles between 6am and 10am every day.

A Roadwatch, as important to M25 motorists as jungle drums were to Dr Livingstone, began the day as usual with bad news. "Things are very slow on end of the roadworks between junctions six and 10, both clockwise and anti-clockwise. Nineteen miles of contraflow are still operating there. And it's single-file anti-clockwise at junctions seven and six. The M23 northbound at the junction with the M25 is busy - that's very slow between junctions 23 and 24."

The misery continued. The man at the AA was very nice. Very, very nice, about the weather, the traffic and motorists. But had he in five years of traffic broadcasting ever said anything nice about the M25? Had he ever not even mentioned it in his traffic jam round-up?

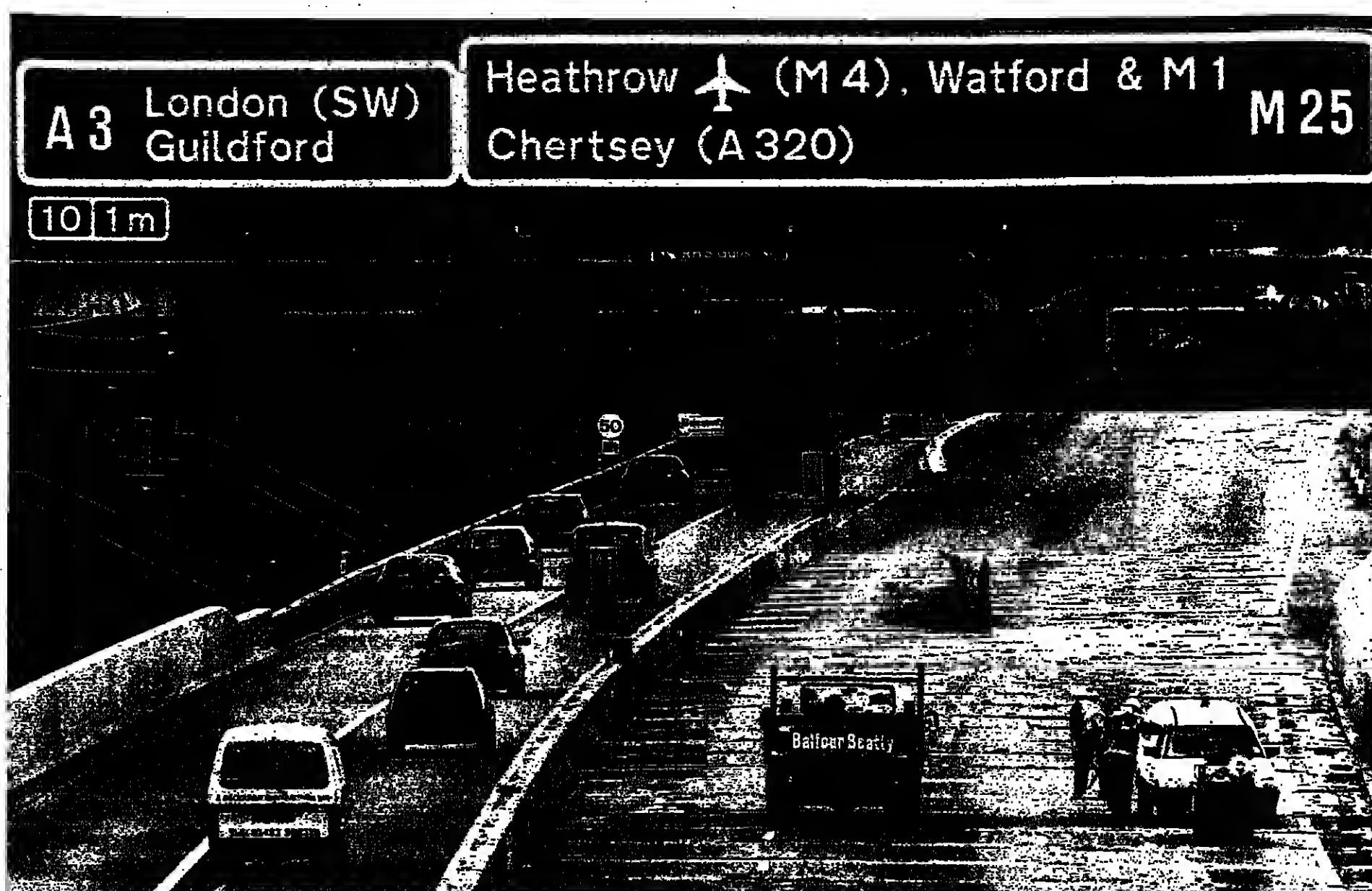
"Not since I have been doing this job," he said. "No, I think I mention it every day. Yes, every day."

The M25, which is also officially named the London Orbital Motorway, has become the road to hell. In 1995, according to the most recent AA survey, the single most-asked question about the M25 was how to avoid it. That is understandable given that on any Monday throughout the year the M25 will deliver 73 miles of traffic jams.

Remember, it was built to alleviate traffic problems. If you had wanted to wish the M25 a happy birthday yesterday by phoning the appropriate government department, you would have found difficulty. The Department of Transport said: "No, you need to phone the Highways Agency."

The Highways Agency said: "Yes, you need us but nobody is here at the moment. Phone the Department of Transport."

Asking resting motorists at South Mimms service station on the motorway if they wished to wish the road a happy birthday, produced some improbable responses. Mr Wright from



Another day, another crawl: The M25 has 73 miles of jams on its 117-mile length on an average Monday. Yet it was designed to ease traffic flow

Photograph: David Rose

Kent, who had articulated lorry, said: "I don't usually see this road in daylight. I like to hit it around 4am before the traffic builds up. Half-an-hour late and you're two hours late, know what I mean?"

Two Danish girls travelled to South Mimms yesterday - by accident. One said: "We didn't realise the road was, er, round, very round, until it was too late. We think we may have been here before."

Another motorist said: "It's British - you get used to British things after a while. I'm from Winchester and if you are writing this down, put this: 'I hate this fucking road.' Put that." "The M25 is 'landscaped' with 2.1 million trees, not that anyone in the lorry, Volvo, VW or Toyota would have noticed. The Department of Transport carefully reminded the *Independent* that one-third of the vehicles that daily use the M25 do so to by-pass London.

"So that means two-thirds use it not to by-pass London," I asked. "Now that you put it that way," said the DoT, "it doesn't sound very positive really."

The operations-room at

Barnet police station, whose officers patrol the M25, were very positive about their local road. "Put it this way, sir, where would you put all the traffic if you didn't have the M25?"

Another officer said London's own *periphérique* was either "beautiful" or "solid" - you either loves it or you hate it, he said, without stating his own choice.

**'It's British. You get used to British things after a while. I hate this f\*\*\*\*\* road'**

The M25 is supposed to be the world's longest city-bypass. To complete it the Government held 39 public inquiries and by the time it was finished in 1986 it had cost the taxpayer £1bn. It may also be the only motorway in the world with a cricket club on top of it. The Epping Foresters have their ground directly above the long

M25 tunnel near Epping Forest.

At South Mimms, Gwen Catling has the unenviable job of daily answering questions on behalf of the English Tourist Board information service. At her desk yesterday, as she has been for the last five years, she said the most-asked question of the M25 was "Am I going the right way round?"

And if the M25 wasn't there? She answered: "I'd have to stay at home because you wouldn't be able to get out here for the chaos."

Mrs Catling could form a splinter group of one - the M25 fan club. "I like the road. In fact I think we should have built what was originally intended: a double-decker motorway, not just anti-clockwise and clockwise, but up and down."

Last night AA Roadwatch was taking a back seat on M25 information. On BBC Radio 5 Live a competition was in progress. A reporter was despatched to the M25 with listeners phoning in to guess how many miles she could complete between 4pm and 6pm. And they say the Italians are road crazy.

## Ode to a Road: A poem for the M25

*From Westerham to Caterham  
I never got my kicks  
Till I found myself at Blindley Heath  
By way of Exit Six  
For no artwork has the beauty  
And no symphony I know  
Like the shards of autumn sunlight  
On a two-mile contraflow  
Or the roadcone-harling Queuequegs  
Dressed in fluorescent green  
On a tailback close to Rickmansworth  
By Exit Seventeen*

*It roars for all eternity  
Its horrid wet or dry  
But the thirty-nine enquiries  
Failed to find the reason why  
For the dreaming gabled hamlets  
Double-placed against the noise  
Close to Exit Twenty Seven  
As you go to Thegdon Bois  
And you will not find a driver  
Who can claim he's been alive  
Till he's drunk deep of the liquor  
That they call the Twenty Five*

Martin Newell

■ Martin Newell's new anthology *Poetic Licence* is published on 5 December. Advance copies can be obtained from JLM and P, 75 Leverton Street, London NW5 2NX

Going round in circles: things you didn't know about the M25



11 It took more than two million tonnes of concrete and 3.5 million tonnes of black top to cover the surface of the M25 alone, and it built today, it would cost the taxpayer ten times as much as it did originally.

2) Before construction the M25 route was subject to no less than 39 public inquiries, taking a total of 700 sitting days to complete.

3) Known as the nation's biggest car park, the M25 once experienced a 22 mile long traffic jam on the Surrey section in August 1988. Pop artist, Chris Rea, hated it so much that he wrote the song 'Road to Hell' about it.

4) A company in Great Yarmouth has offered a grand coach tour of the M25 for the past 10 years and in 1992, 30 hotels gave taquin seven day breaks on the motorway.

5) Almost everybody has missed an exit, including William Allen, a grandfather, 84 at the time, who spent two full days circling the M25 looking for his daughter's home.

6) The policemen patrolling the M25 are often witness to bizarre sights. A patrol car once encountered an elderly woman cycling in the opposite direction to the traffic, steering with one hand and holding her hat down against the slipstreams from the dodging vehicles with the other.

7) AA patrol man, Carlton Johnson was firing a vehicle on the hard shoulder of the M25 when a motorist stopped in the inside lane, asking him directions. In another incident a car was reported to have travelled at 70 mph along the embankment, returning to the carnage-way, amazingly hitting no other vehicles in the process.

8) The motorway even has its own mystery, when in July 1990 police discovered the mutilated body of a woman near South Mimms service station. The woman still yet to be identified, lies in an unmarked grave, buried as 'Jane Doe'. Police have eliminated several possibilities but still want to identify her.

9) Who says that romance is dead? Chris and Sue Glacier from Ashford, Kent held their five star wedding reception in a motorway service station. This was followed by a romantic night in a luxury coach, complete with honeymoon suite and destined to spend the evening circling the M25.

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FLEET NEWS 30/8/96

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## news

# Time bomb of Britain's elderly is no longer ticking so loudly

Colin Brown  
Chief Political Correspondent

Assumptions about a "ticking time bomb" over the growing cost of the elderly have been exploded by government figures.

Slipped out in a statistical report to a Commons committee, they show that the Government has scaled down the expected cost of the elderly from 1 per cent of expenditure on personal social services in 1996-97 to 0.4 per cent in 1997-98. The Department of Health estimated in a report published earlier this year that the rise would be 0.7 per cent.

The figures "show considerably slower growth in the elderly population than earlier projec-

tions," said the report to the Select Committee on Health.

Hugh Bayley, a Labour member of the committee and expert on health economics, said the admission that the "time bomb" did not exist undermined the Government's claims that a switch to private insurance policies was needed to pay for long-term care for the elderly.

"This shows there is no demographic time bomb," he said. "If there is the political will to provide long-term care for the elderly, the state can continue to provide it."

"It should be possible to provide long-term care across the country with a service that does not depend on your needs or where you live."

The committee said in June that the suggestions of a "crisis" in paying for long-term care were "downright alarmist". It said the problems were real but manageable.

The Government on Monday rejected the criticism by the committee, which is chaired by the senior Tory MP Marion Roe, that free long-term care on the NHS was available in some areas, but not in others.

The Government has shelved its Bill to launch a private-insurance-based solution to the plight of many elderly people who are being forced to sell their homes to gain entitlement to long-term care on the state, which is means-tested.

The reduction in the Government's estimates of the rising cost of the elderly on personal social services could also boost pensioners' demands for increases in the real value state pensions.

In a separate move, Harriet Harman, the shadow social security secretary, will today challenge the Government to use its fraud Bill to ensure that 700,000 of the poorest pensioners are given benefits worth an average £14 a week to which they are entitled but which many fail to claim.

Under the Bill, social secu-



Golden years: Today's elderly may feel the state pension is less than generous. Yet in the years ahead its value in comparison with mean earnings will fall sharply. Photograph: John Voos

## The falling cost

How cost of the old on social services is now projected to plunge after a steady rise

1991-92	1.1%
1992-93	1.0%
1993-94	0.9%
1994-95	1.2%
1995-96	1.3%
1996-97	1.0%
1997-98	0.4%

## Pensioners make no extra call on the state

Britain is going grey – like every other advanced country except the United States. But the rate at which we are ageing and the problems of pensions and care that brings are often exaggerated by opponents of the welfare state.

The majority of old people make no special calls on government support beyond their state pension. They either fend for themselves or are looked after perfectly satisfactorily by friends and family – and experts say there is no reason why this should not be as true in 2020, or even 2040 when the "demographic crisis" will be at its peak (and when today's 19-year-olds

will be retiring). Britain meanwhile is ageing at a far more comfortable rate than nearly every other country in the western world – or Japan, where within two decades one in three of the entire population will be over 65.

At the turn of the century just over 9 million people will be over 65 – out of a total United Kingdom population of just under 60 million. A half century later, in 2051, total population will have fallen slightly to about 56.6 million while the number of older people will be up to just under 14 million. Recently the trend of the revisions regularly made in these figures

by official statisticians has been downward.

For the first 30 years of the new century there will be a small increase in the very old, those aged over 85, who have the most need for health and social care. The critical decades will be 2030 to 2050 when their numbers rise by nearly 1 million.

Behind this great-granny bulge lies a dip in the number of those aged between 40 and 70, who do most of the caring. The number of very old people needing long-term care is now

about 1.5 million and will grow to 2 million by the end of the first decade next century then to about 2.7 million by 2031. That points to a need for increased care outside the home, which somebody is going to have to pay for.

According to the Joseph Rowntree Foundation, a payroll tax of 1.5 per cent of average earnings, instituted now, would provide more than enough to meet the extra costs of care.

State pensions currently cost about £26bn a year and their cost is projected to rise at about £1.5bn a year. But, according to the authoritative Institute of Fiscal Studies, the real cost of state

pensions is going to fall – from 4.3 per cent of GDP now to 3.5 per cent by 2030.

The reason is that in 1980 the Government cut the link between the state pension and earnings which means pensions are increased each year only in line with inflation.

Currently a state pension is worth about 32 per cent of a male worker's average earnings. By 2040 that is predicted to fall to 22 per cent – which means, relatively speaking, that the day after tomorrow's pensioners will be poorer if they rely on the state alone.

David Walker

## Minister stalls on Salisbury bypass until after election

Christian Wolmar  
Transport Correspondent

The pre-election analysis of the government machine showed itself yesterday when ministers announced that they were postponing any decision over the Salisbury bypass until next spring at the earliest.

The decision over the £76m Wiltshire scheme means that no

work can start until well after the general election and that this government will be unable even to let out contracts to build the 11-mile road.

The road, which skirts Salisbury and three adjoining villages, is set to be the next cause célèbre of the anti-roads lobby in the wake of confrontations over Twyford Down, Batheaston by-pass, the M11 link road

and the Newbury bypass. But pro-roads groups, who have been feeling abandoned by the Tories' shelving of many road plans following budget cuts and a change of policy, see Salisbury as a test of the Government's resolve to retain any vestiges of a new roads programme.

Sir George Young, Secretary of State for Transport, stressed yesterday that contrary to recent

reports, there had been no row between him and John Gummer, Secretary of State for the Environment. He said ministers were "minded" to give the go-ahead to the scheme which he announced had been approved by the inspector of the 151-day public inquiry held in 1993/94.

However, two developments since the hearings – the declaration of a site of Special Sci-

entific Interest at East Hamham Meadows south of the city, and a reassessment of the methodology used to quantify the benefits of road schemes – meant that he was seeking further views of interested parties before making a final decision.

The inspector, Sir Peter Buchanan, argues that "action must be taken" because without the bypass, "flows on a number

of routes would reach very high levels resulting in serious congestion". However, environmentalists say that much of the traffic involves local journeys and would not be helped by the bypass. Sir George accepted yesterday that only "40 per cent of the traffic" would be displaced off the existing road, but said "this is a very high proportion and would have a big impact".

The delay will heighten the debate over the value of road schemes. In December 1994, the obscure Standing Advisory Committee on Trunk Road Assessment, recommended that the Government changed the way it assessed road schemes by taking into account extra traffic attracted onto the new road by its very existence.

Environmentalists were pre-

dictably angry that ministers were minded to proceed with the bypass. Simon Festing, transport campaigner for Friends of the Earth, criticised the Government's "flawed decision making". "There is no justification for this destructive road scheme as it was part of a long-distance strategic route and other improvements on that route have now been dropped," he said.

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# Family seek to take the sex out of Hendrix

Film of Jacobean tragedy said to be too raunchy for pop star's music.  
Louise Jury reports

Think of the late Jimi Hendrix and think of sex and drugs and rock and roll. Tragedy, even. Everything the director Marcus Thompson wanted for his film of the Jacobean drama *The Changeling*.

He approached the Hendrix estate for permission to use the music. Alan Douglas, then Hendrix's musical curator, said they could do business if the movie was as weird as they said.

Mr Thompson showed him a rough cut of the film, shot in Alicante in Spain with a cast including the singer Ian Dury, comedian Billy Connolly and performance poet John Cooper Clarke. "Well, it's as weird as you say," came the reply. Permission granted.

But when the Hendrix family regained control of the musician's work last year and saw the finished Thompson film — a labour of love started six years ago — they were not happy.

Rumour has it the problem was the sex and violence, the culmination in "an orgy of madness, sex and death", to quote the publicity. A music industry source said: "They are very sensitive to the way Jimi's music is used."

Janie Hendrix, the late star's sister, was not specific. "After we screened the film, we decided it was not an appropriate venue



Deferred pleasure: Scenes from 'The Changeling' (right), by Marcus Thompson (above), who re-scored his labour of love with a soundtrack by JS Bach and Henry Purcell

Photograph: Edward Sykes

for Jimi's work," she told *The Independent*. "Jimi's music contains powerful visions and we did not feel that what was portrayed in *The Changeling* was consistent with them." They were not aware any contract had been signed, she added.

So Mr Thompson was left with an unusable finished film. It had already been premiered with the Hendrix soundtrack at last year's Glastonbury festival. That was followed by a showing in Leicester Square, London, where it was snatched up by distributors who signed a deal to sell the film to Japan before going bust. When Janie Hendrix withdrew permission for the music this spring, it sealed the catalogue of problems that have plagued Mr Thompson's project.

"I was feeling a bit sorry for myself," Mr Thompson said. "The Hendrix idea had been there from the very start and inspired me all the way through. To have it taken away at the last minute... And *The Changeling*

is full of powerful visions. It's all very curious."

He was forced to consider alternatives to replace the music or abandon the project. He settled on a new soundtrack by JS Bach and Henry Purcell and the

re-scored version should be finished by Christmas. A new screening will be arranged.

"It's absolutely fabulous," Mr Thompson said yesterday. "It's a completely different movie. For me, the Hendrix

works fabulously but I was stunned by this new version. Luckily, the great thing about this movie is it doesn't date."

Despite all the difficulties, Mr Thompson, a former pop video-maker in his 40s, said he was not bitter. And at least he should now be able to pay those who gave their services in return for payment when the film was released, including royal wedding dress-maker, Elizabeth Emanuel, who designed the

costumes. "It's a classic deferred movie, it's just been deferred a bit longer than normal. At least I think they will see it now. And I've still got the Hendrix. I can still see my movie as it was."

## Mystery men 'bribed' official

A senior tax inspector received thousands of pounds in bribes from wealthy taxpayers he was investigating but their identities remain unknown, the Old Bailey heard yesterday.

Michael Allcock had 11 bank accounts and six credit card accounts, John Black, for the prosecution, said and between 1987 and 1992 he allegedly paid off credit cards totalling £57,807. A further £91,390 was paid into his accounts. The sums were unidentified or unattributable and often paid in £50 notes, the prosecution claimed.

Mr Black said: "We are quite unable to tell you who paid Allcock the various amounts of money. In the course of the evidence you will hear that at varying times Allcock gave explanations as to the source of the money. We say they were all false. The evidence will demonstrate without any doubt that he has no legitimate explanation for that amount of money in his

accounts. It is quite clear he has lied on occasions about the source of his money.

"This money has been given to him by taxpayers and was received by him corruptly as an inducement or reward for showing favour in relation to tax affairs."

Allcock, 47, of Colchester, Essex, denies 13 charges of corruption between June 1987 and October 1992.

Mr Black said it was not possible to go back through every tax file with which Mr Allcock was associated to find where favourable treatment might have occurred. A number of people from whom Allcock allegedly received gifts had been named in the charges he faced. Two of them appeared with him in court. Hisham Alwan, 56, from Knightsbridge, London, has denied three charges of corruption and David Shamoon, 66, from West Kensington, London, has denied one charge of corruption.

### DAILY POEM

#### Homecoming

By Wislawa Szymborska

He was back. Said nothing.  
But it was clear something had upset him.  
He lay down in his suit.  
Hid his head under the blanket.  
Drew up his knees.  
He's about forty, but not at this moment.  
He exists — but only as much as in his mother's belly  
behind seven skins, in protective darkness.  
Tomorrow he is lecturing on homeostasis  
in metagalactic space travel.  
But now he's curled up and fallen asleep.

The Polish poet Wislawa Szymborska was the surprise recipient of the 1996 Nobel Prize for Literature earlier this month. Born in Bnin in western Poland in 1923, she has lived in Kraków since the age of eight. For 30 years she worked on the Kraków literary weekly *Zycie Literackie* as poetry editor and columnist, producing in this time nine volumes of poetry. This collection from 1990, *People on a Bridge*, translated by Adam Czerniawski, is published by Forest Books at £7.95. Faber publish a new collection next spring.



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## politics



Baby doll: Two-year-old Nicole Ross stares in amazement at an Action Man model, part of a new display at the National Museum in Edinburgh. Photograph: Alan Peebles

# Lib Dems and Labour explore coalition option

John Rentoul  
Political Correspondent

Labour and Liberal Democrat leaders met yesterday to discuss a "common programme" of democratic reforms to pave the way for what could effectively be a coalition government after the next election.

Robin Cook, Labour's policy supremo, and Robert Maclennan, president of the Liberal Democrats, jointly announced that work had begun to work out the details of reforms, above all on a referendum to change the voting system for the House of Commons. Despite Mr Cook's insistence that "this is not a pact", and Mr Maclennan's declaration that it was a "ringfenced" agreement, restricted to constitutional changes, the meeting clearly marks one of the most important steps in the rapprochement between the two main opposition parties.

Mr Cook and Mr Maclennan have held one-to-one talks, sanctioned by Tony Blair and Paddy Ashdown, for over a year. But yesterday they were joined by senior colleagues in a formal committee to find a "common ground" in plans for a Scottish parliament, Welsh



Robin Cook met Maclennan to discuss details of reform.

assembly, a London authority, a referendum on electoral reform, a Freedom of Information Act and reform of the House of Lords.

On Labour's side, the meeting was attended by Donald Dewar, the chief whip, Ann Taylor, shadow leader of the House, George Robertson, the Scottish affairs spokesman, and Jack Straw, under whom the Home Office would be the lead department for many of the reforms. At future meetings they will be joined by Ron Davies, Welsh affairs spokesman, and Lord Richard, Labour leader in the House of Lords.

For the Liberal Democrats, Mr Maclennan was joined by Jim Wallace, leader of the Scottish party, Nick Harvey, MP for North Devon, and Lord McNally, who as Tom McNally had personal experience of a Labour government, working as James Callaghan's bag-carrier.

"The Labour Party and the Liberal Democrats will fight the next election as distinct parties with separate candidates in every constituency," Mr Cook said at a Westminster news conference. "Nor is this the start of some grand new realignment of British politics."

Yesterday's development follows signs that Mr Blair and Mr Ashdown have developed a close working relationship. Both have hinted at a dramatic realignment of politics after the next election, including some one-Nation, pro-European Conservative MPs.

"We are confident that there will be a majority for reform in the next parliament," Mr Cook said yesterday.

And Mr Maclennan pointed to the lessons of Harold Wilson's 1966 government, which, with a Commons majority of 100, failed to push through its reforms of the House of Lords.

## PRIME MINISTER'S QUESTIONS

SCORING THE EXCHANGES

7/10

6/10

### THEMES OF THE DAY

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## Beckett stresses need for single-currency caution

It became clearer yesterday that a Labour government would not join a single European currency when it is launched in two years' time, as Margaret Beckett, the party's trade and industry spokeswoman, publicly expressed doubts, writes John Rentoul.

In what appeared to be part of a concerted exercise, her comments closely followed the cautious note sounded by Robin Cook, the shadow Foreign Secretary, at the weekend.

Mrs Beckett said: "The great nightmare for Britain has always been that our economy would not be sufficiently strong for it to be an easy option to choose whether or not to join, depending on what we think of the package when we actually see it."

A spokesman for Tony Blair's office denied that the two interviews were sending a signal. But, although the option of joining the first wave - after a referendum - is technically still open, the message now seems

to be that Labour wants to join, but not yet. Mrs Beckett did not deviate from the line that a decision will be made in the UK's economic interest, but emphasised the problems of joining in the first wave.

Speaking as the only shadow cabinet member of Labour's Euro-Safeguards Campaign - its historic anti-European pressure group - Mrs Beckett told BBC Radio 4's *Today* programme that the Government's record made it "unlikely" that the British economy would be strong enough for joining the single currency to be an easy decision.

"I think everybody in Europe is worried about the sustainability and the pace of the move towards economic monetary union," she said.

Mr Cook made it clear on Sunday that if Britain stood aside from the launch of the single currency, due on 1 January 1999, a Labour government would want to join as soon as possible thereafter.

The Shadow Cabinet is fairly evenly divided between those who have been historically pro and anti-Europeans, with the divide now mainly between those who want to postpone entry into a single currency for as short a time as possible, and those who want to "wait and see" for several years.

The "pro-Europeans" are: Mr Blair, Gordon Brown, Donald Dewar, Mo Mowlam, Chris Smith, Ann Taylor, George Robertson, Harriet Harman and Jack Cunningham. The main "antis" are: Mr Cook, John Prescott, David Blunkett, Jack Straw, Frank Dobson, Michael Meacher, and Mrs Beckett, who owed her start in politics to her anti-EEC stance against the Democratic Labour candidate Dick Taverne in 1974.

Earlier this year, 50 Labour backbenchers sponsored "a people's campaign" to say no to a single currency, which they declared would have "disastrous effects" on Britain.



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Pride and passion: Items on sale fetched record prices, including this painting, which was sold for £750,000

# Plundered treasures of Holocaust sold to help victims of Nazi tyranny

Jojo Moyes

In an atmosphere of emotion rarely witnessed in an auction house, works plundered by the Nazis were yesterday auctioned at record prices, to benefit victims of the Holocaust.

By mid-day on the opening day of the Mauerbach Benefit Sale in Vienna more than £3.1m had been raised, more than double the estimate for the total sale. One painting by Abraham Mignon, estimated at £47,000, sold to a London art dealer for £750,000.

"It's very emotional. It's a very personal occasion but also one of tremendous pride. People thought it was too good to be true that the sale could combine artistic merit with cultural significance but it has," said Julia Hobbs, a spokeswoman for Christie's Auctioneers, who is handling the sale on behalf of Austria's Federation of Jewish Communities.

The two-day auction closes one of the most controversial legacies of the Second World War, after which Austria sequestered thousands of valuable items seized by the Nazis from Jewish homes.

The government has come under

der fierce criticism for its half-century delay in returning the items to the victims or their relatives, a fact apparently accepted in a public apology by Franz Vranitzky, Austria's Chancellor, on Monday, when he called for Austria to acknowledge "the darkest chapter in its history". In 1955 Austria was instructed to return the art, which Adolf Hitler's troops had stored across Central

a great shadow on our relations with the Austrian government". Yet, according to onlookers among the 1,000-odd people packed into the auction rooms at the Austrian Museum of Applied Arts, the mood yesterday was not of bitterness but pride. One man, who identified his missing works shortly before the sale began, donated them to the sale once his ownership had been es-

Ronald Lauder, a former US ambassador to Austria and co-chairman of the auction benefit committee, said most overseas bidders were coming from Jews "who wanted this as a remembrance of a time that was". Israel's Yad Vashem and Tel Aviv Museums, and US Jewish organisations, were among the potential buyers. Joel Marmelestein was bidding on behalf of the Charles T. Sitrin Jewish health centre in New York.

"We thought it was important to give them a final, Jewish setting and also to honour some of the survivors in our community from Austria and other parts of Europe," he said. Fran Lauder, a Holocaust survivor, made the trip from New York out of nostalgia. "It is such a mixed feeling," she said. "All this that has happened to me is coming back."

One of the last legacies of the Second World War came to an end last night when £12m of looted Nazi gold was transferred to Albania. But the one-and-a-half tons of gold, which has sat in the vaults of the Bank of England for 50 years, is expected to remain there on deposit rather than be shipped out to Albania.

**'We thought it was important to give them a final, Jewish setting and to honour the survivors'**

Europe. But Austria's reluctance to take responsibility for the role it played in the Holocaust and decades of bureaucratic foot-dragging prevented the objects from being dispersed and they were held for decades in the Mauerbach monastery in Austria.

Paul Gross, president of Vienna's Jewish community, who was at the sale, said it marked "an important milestone in the countless years of attempted restitution that has not only occupied us for over five decades but often cast

established, so they might be of further benefit.

The works, finally turned over to Austria's Jewish community last year, include 19th-century landscapes and portraits, Old Master paintings and drawings, antique coins, sculptures, tapestries, and porcelain. They offer a glimpse of the assimilated world of Austria's Jews and of Nazi aesthetic. Eighty-eight per cent of the proceeds will go to aid Jewish victims of the Holocaust, and 12 per cent to non-Jewish, Austrian survivors.

## Mickey finds a place in French life

Mary Dejevsky

Paris

After almost five years of warily getting to know each other, the French and Mickey Mouse are finally reaching an accommodation. It is not exactly true love, at least the relationship is proving lucrative all round.

It was announced yesterday that Disneyland Paris, once described by the Paris intelligentsia as a "cultural Chernobyl" and doomed to a loss-making future in the marshes of the Marne, is now

paying to go to the top, and visit at least the precincts of the Louvre without paying, but everyone who goes to Disneyland must pay. The occupancy rate of central Paris hotels in 1995 was depressed by the terrorist bombing campaign.

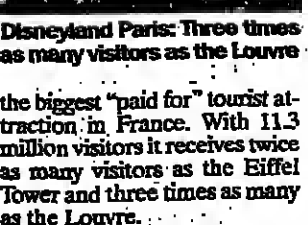
The publication of the route for next year's Tour de France cycle race, however, provides clinching evidence that Disneyland Paris, which abandoned its "EuroDisney" nomenclature two years ago, has found a place in French life. Anything more quintessentially French than the tour would be hard to find, but next year's penultimate stage, following three weeks and 4,000km of racing, will be held in Mickey's kingdom.

There will be time-trials against the Disneyland backdrop. The cyclists will be accommodated in the Disney hotels, and will set off next morning for the prestigious final leg into Paris and the sprint finish at the Champs Elysees.

The tour has passed through Disneyland once before, in 1994, but this is the first time that a full stage has been held there, and hosting the start of the prestigious final day is a signal honour.

Needless to say, such honours do not come free. According to the tour organisers, there is a standard cost of 650,000 francs (£81,250) for hosting a stage. The advertising benefits that Disneyland can expect from several hours of live television coverage, however, are likely to make the price worth paying.

Alas for indigenous French culture, the Astérix theme-park north of Paris has never even had the Tour de France pass by its home-grown warrior heroes. "Unfortunately, we don't have the means," said a spokeswoman. "It would be very advantageous to us, but we just can't afford it."



Disneyland Paris: Three times as many visitors as the Louvre

the biggest "paid for" tourist attraction in France. With 11.3 million visitors it receives twice as many visitors as the Eiffel Tower and three times as many as the Louvre.

Its hotels, moreover, with names like New York, Davy Crockett and Sequoia lodge, which grate as roughly as ever on the French consciousness, enjoyed an occupancy rate last year of 64 per cent, which was higher than the rate in central Paris. The figures come not from Disney, but from a survey commissioned by the local Seine-et-Marne region.

There are caveats: you can see the Eiffel Tower without

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# Rwanda and Zaire on brink of all-out war

Kinshasa — The crisis in the Great Lakes region of central Africa escalated dramatically yesterday as Rwandan and Zairean troops exchanged gunfire and mortar rounds over their border. Having repeatedly denied involvement in the conflict between rebels and the Zairean army (FAZ) in eastern Zaire, Rwanda has admitted its forces retaliated when the Rwandan town of Cyangugu was shelled from across the Ruzizi River, which separates the two countries.

The Zairean forces are understood to have attacked Rwandan refugees who had crossed back into their homeland to escape eastern Zaire's war between the FAZ and the rebels belonging to the region's ethnic Tutsi community, the Banyamulenge. Explosions sounded late into the night as the fighting continued between Rwandan and Zairean troops.

The town of Bukavu, only hundreds of yards across the border from Cyangugu, was last night poised to fall to the Banyamulenge rebels whose insurgency has cut a swathe of panic and destruction through the eastern region of Zaire.

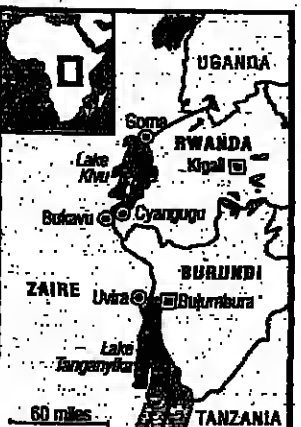
Mortars landed in the outskirts of the provincial capital of South Kivu while the rebels exchanged gunfire with the FAZ.

There are fears of further carnage if the well-armed Banyamulenge fighters manage to take Bukavu. Burundian refugees fleeing fighting further to the south say that in the rebel-held town of Uvira, 60 miles away, hundreds of people have been killed. The rebels took Uvira, at the northern end of Lake Tanganyika, last week.

"At Uvira the situation is bad," said one Burundian refugee who had returned to his homeland. "There is nobody there except the Banyamulenge military and the bodies of people killed in the fighting. I saw hundreds of corpses in the streets."

Half a million refugees, most of them Rwandans, have been

## Bukavu faces catastrophe as Tutsi rebels close in, writes David Orr



uprooted from their camps in eastern Zaire by the fighting. A number of the camps, havens for Hutus who have fled unrest in both Rwanda and Burundi, are reported to have been attacked by the Tutsi rebels. Zaire claims the camps have also been shelled by Rwandan forces whom they accuse of arming the Banyamulenge insurgency.

The Banyamulenge say they are fighting to establish their rights to Zairean citizenship withdrawn in 1981. The Zairean authorities last month announced their intention to expel the third of a million Banyamulenge, prompting the armed backlash.

What began as a local dispute has spiralled into all-out war. The conflict threatens the whole of central Africa. There are fears that the Tutsi-dominated armies of both Rwanda and Burundi will be sucked into the fighting on the side of the Banyamulenge.

With Zaire's President Sese Seko Mobutu still in exile in Switzerland, where he is being treated for prostate cancer, Zaire is more unstable than ever. A government spokesman said President Mobutu had placed North and South Kivu provinces under emergency rule. The border



Rain cycle: Rickshaw pullers battle through the flooded streets of the Bangladeshi capital Dhaka after heavy rainfall hit the country. Photograph: Rafiqur Rahman/Reuters

## Berlusconi colleague on Mafia charge

One of Silvio Berlusconi's closest associates and parliamentary colleagues, Marcello Dell'Utri, was formally accused of criminal collusion with the Sicilian mafia as prosecutors in Palermo deposited more than 500 pages of evidence against him.

Mr Dell'Utri, who ran the Italian former prime minister's advertising company, Publitalia, until last year and is a deputy for the media tycoon's party Forza Italia, will face a hearing next month to determine whether he should stand trial.

— *Gumbel Rome*

## Serbia police break bus drivers' strike

Belgrade authorities broke a public transport strike by sending in police to disperse protesters and arresting a trade union leader. "Special police forces stormed into the bus garage in Novi Beograd, beat up some of the workers and arrested the president of the drivers' trade union," the head of the independent metal workers' union said.

Bus and tram drivers launched the strike only days before federal and municipal elections in the Yugoslav republics of Serbia and Montenegro. Belgrade's Socialist mayor, Nebojsa Covic, accused opposition parties of trying to provoke labour unrest before Sunday's polls.

— *Reuter - Belgrade*

## Nato to decide Bosnia force

Ambassadors from the 16 Nato countries are to meet in Brussels on 6 November, the day after the US Presidential elections, to determine the size and shape of the follow-on force in Bosnia after the present peace-keeping mandate expires on 20 December. General George Joulwan, Nato's supreme commander in Europe, insisted that no decision had been made on prolonging the US military presence in Bosnia after next March.

— *Christopher Bellamy - London*

## Bad smell for Miss World

Sixteen women were arrested after smearing cow dung and tar on the outside walls of the Bangalore office of the Miss World beauty contest's official Indian sponsors. The pageant next month has attracted protests from women's groups and Hindu nationalist politicians. Some women have even threatened to commit suicide.

— *Reuter - Bangalore*

# Chubais tries to stem crisis in Russia

Phil Reeves  
Moscow

Top members of the Yeltsin administration are moving to counter a multiple crisis which is threatening Russia's fragile stability — the ill health of the President, millions of unpaid workers, and the non-payment of billions of dollars in taxes.

The moves are being masterminded by Anatoly Chubais, the President's chief-of-staff who has emerged during Boris Yeltsin's illness as the most powerful official in the country, prompting accusations from his opponents that he is running a regency.

Mr Chubais is calling for the power of the state to be beefed up, and has set about concentrating more authority in the hands of a select few top officials, including himself.

Although his strategy is partly to prevent a repetition of the embarrassing squabbling at the top of the Kremlin that led to the recent sacking of the national security adviser, Alexander Lebed, it has more to do with the country's financial crisis. Millions of workers and servicemen have been unpaid for months, including the military, prompting warnings of unrest in the ranks.

Mr Chubais has played a leading part in the establishment of an emergency tax commission. And he was the force

behind the creation of a new "council of four", comprising himself, the Prime Minister, Viktor Chernomyrdin, and the two heads of parliament. Its job appears to be that of overseeing and uniting the different arms of government.

In recent remarks, Mr Chubais made no secret that the two new bodies are part of a process to concentrate power at the top. "The consolidation of power — instead of constant mutual intrigues, instead of public discussions, instead of endless arguments — is exactly what the country needs." Yesterday he took up the theme again, complaining of the weakness of the power of the Russian state, and announcing plans to set up a body which would suspend laws that contradict the 1993 Russian constitution.

Such activities will be seen by his critics as further evidence that he is a power-hungry Kremlin official exploiting Mr Yeltsin's health ailments to create an undemocratic regency.

However, his supporters are likely to see his actions less as an attack on democracy, and more as an attempt to solve several urgent crises.

In the first nine months of the year, the government collected only two-thirds of the tax it needs to meet its spending commitments. In addition, Russia's wage arrears bill now stands at \$7.7bn (£5bn). The cheats are one reason that millions of workers have gone unpaid since the summer. But the problem is complex. Money has disappeared into the foreign bank accounts of corrupt businessmen and bureaucrats. Mr Chubais's moves are also born of a belief that central government needs more power to force the administrators of Russia's republics, regions, and territories to toe the line.

"If the situation regarding tax collection continues as it is, I think we will cease to exist as a state," said Russia's labour minister, Gennady Melnikyan. "And so, the government will have to be swept out of power and new people should be recruited who could tackle this task."

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## international

## The Queen savours Thailand's taste for royalty

Stephen Vines  
Bangkok

At last the Queen can put domestic troubles aside and enjoy her visit to a country where the monarchy enjoys unqualified respect and Britain retains some of its former prestige.

Yesterday she viewed a centuries-old Royal Barge Procession and visited the ancient capital of Ayudhya. Thousands of Thais waved Union Jacks when the monarch arrived at the British Council and visited a university. The Queen then retired to the banks of the Chao Phraya River to watch a final dress rehearsal of the colourful Royal Barge Procession, in which about 2,000 chanting oarsmen dressed in traditional costumes and manning 52 barges performed the ceremony.

While the Queen attended to ceremonial functions Malcolm Rifkind, the Foreign Secretary, met Amnuay Virawan, the Thai Foreign Minister, to discuss British prisoners who are in jail for drug offences. Prisoners Abroad, a British group that works for the repatriation of

Britons serving time in foreign prisons, wants the Queen to raise the topic.

From the moment the Queen's plane touched down at Bangkok's Don Mueang airport on Monday and young girls scattered rose and jasmine petals at the feet of the British and Thai royal families, it was clear that her visit to Thailand was being given the full works of pomp and ceremony.

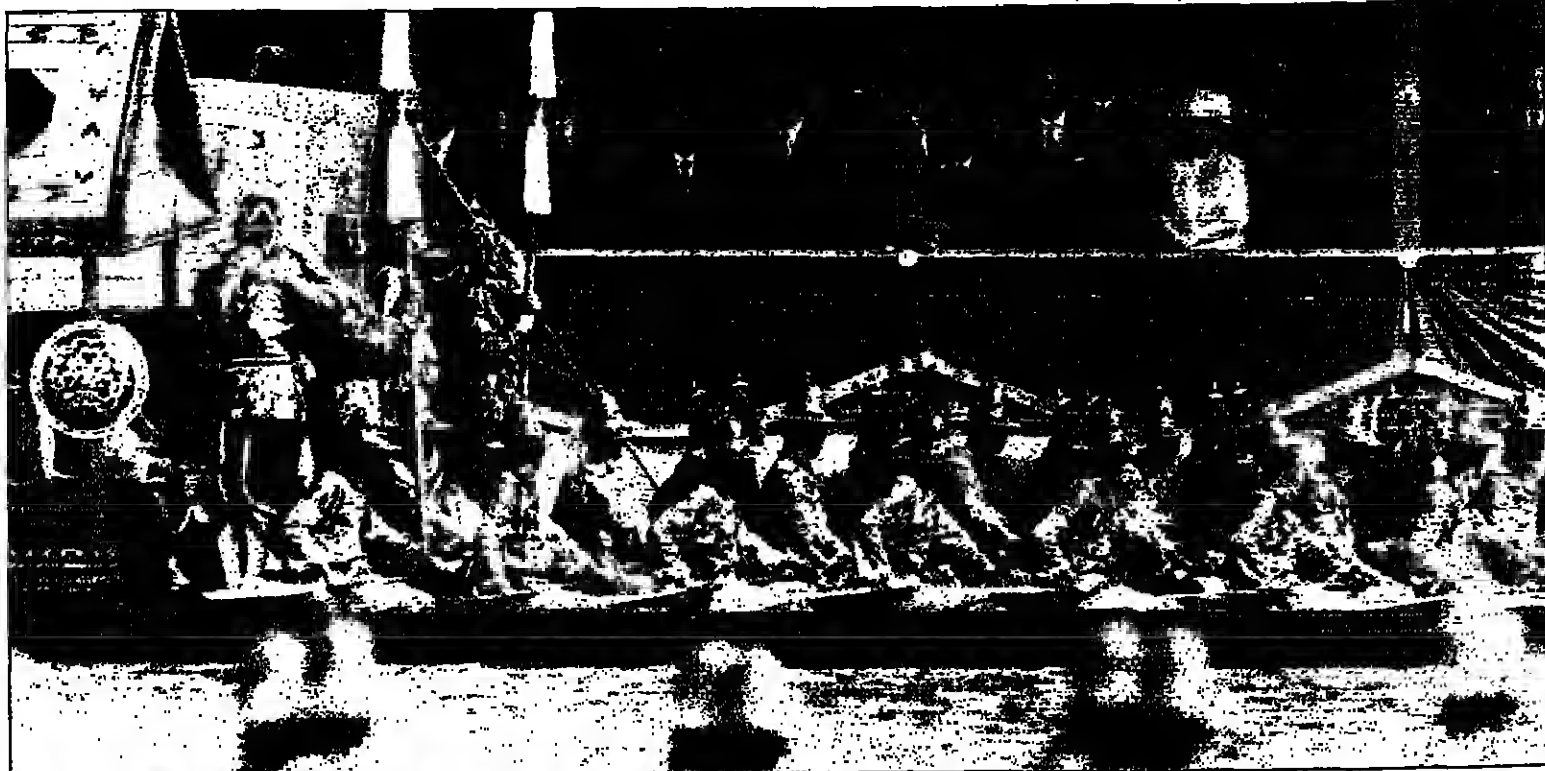
James Hodge, the new British Ambassador to Thailand, says he has been struck by the tremendous warmth of the relationship between Thailand and Britain. This is no exaggeration when speaking of a country whose citizens are buying British cars in increasing numbers and who are warming to the delights of Marks & Spencer and Body Shop. However the strongest tie between the two royal families is that between the two royal families. At a state banquet, the Queen addressed King Bhumibol Adulyadej as "Sir, my brother" and reminded her audience of the affectionate postal friendship of Queen Victoria and

Rama IV, Thailand's great modernising monarch.

That relationship started when Britain stole the march on the other European powers by gaining an audience at the Siamese court in 1855. When Sir John Bowring arrived there he observed Thai noblemen clad mainly in orange paint crawling on all fours towards the king. He managed to persuade the courtiers that he was not obliged to crawl or give up his sword.

The world's longest-serving monarch still plays a pivotal position in Thai society. Courtiers still crawl, albeit elegantly, towards the King and Queen. His pronouncements on everything from democracy to traffic congestion are taken as commands rather than suggestions.

Just how much respect the royal family enjoys in Thailand was highlighted when the Queen attended a ceremony to be presented with the keys to Bangkok. As soon as she rose to speak members of the Thai court jumped to their feet, causing the British royal entourage to rather sheepishly follow their example.



Making a splash: The Queen and Prince Philip watch a rehearsal of the Royal Barge Procession in Bangkok

Photograph: Dylan Martinez/Routier

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## Peking puts reform leader back on trial

Teresa Poole  
Peking

Back in the heady spring of 1989, when Peking's students believed they were about to change China, a skinny youth with thick black-rimmed spectacles was a common sight on the world's television screens. Wang Dan, a history undergraduate at Peking University, did not fit the stereotype of a flamboyant figurehead for China's pro-democracy movement. But today, he will prove his persistence, as he goes on trial in Peking's Number One People's Intermediate Court charged with "plotting to subvert the government".

After the army's bloody crackdown on the Tiananmen Square protesters in June 1989, most prominent student leaders were spirited abroad. Mr Wang, number one on the government's "most wanted" students list, was less lucky. He was arrested and spent three and a half years in jail.

By the time he was released, in February 1993, China's economic boom was under way. Mr Wang pressed on with calls for political reform and human rights. The response was predictable: whenever a sensitive anniversary came around, or an important American diplomat was in town, Mr Wang would be banished to the provinces or detained by the police. In between, he gave interviews to foreign journalists, and wrote articles for the foreign press. He was refused permission to return to Peking University, so he started a correspondence course in history in 1994 at the University of California. That is likely to be produced in court today as evidence of "collaborating with overseas subversive forces".

In March 1994, Mr Wang wrote to the National People's Congress outlining his campaign for human rights. "I do understand that in the current political environment, to hold a dissident opinion involves risk. I am prepared to be cracked down on by the security bureau or other government agencies. But I have no regrets. I believe what I do is for justice," he wrote.

By December 1994, two unmarked cars were stationed outside his family's apartment block, and police on motorbikes would follow him whenever he went out. Mr Wang tried to sue

the Peking Public Security Bureau for harassment. A few days later, sitting in the reading room of the Peking library, he was warned: "We will beat you to death if you go out again." Early in 1995, Mr Wang's fate was probably sealed. He joined the board of directors of Human Rights in China, the New York-based pressure group, and in a Hong Kong newspaper he wrote that the "negative senti-



Wang Dan: 'No regrets'

ment building up in society" had reached "dangerous proportions". Two petitions followed, one calling for human rights and the other asking the government to re-assess the verdict on the 1989 protesters and to release those still in jail.

On 21 May 1995, Mr Wang was taken into custody and has not been seen again. Family members were denied access until two weeks ago.

The government might have waited until next month's visit by Warren Christopher, the US Secretary of State, was completed but opted for a high profile court case instead. The point of today's trial is to show the world, and particularly the US, that Peking no longer pretends to care what the rest of the world thinks of its human rights record.

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# Republican candidates fight shy of flaky Dole

Robert Cornwell  
Washington

Less than a week before Tuesday's election, Republican Congressional candidates are sitting loose from their apparition, doomed White House contender, Bob Dole, in an attempt to preserve their own seats and, they hope, their party's slender majorities in the House and Senate.

In more than 50 districts, the Republican National Congressional Committee has started to air \$40 (\$2.6m) of advertisements that mention neither President Bill Clinton nor Mr Dole by name, but urge voters not to give "liberal" interests a "blank cheque" for the 105th Congress, as happened in the first two years of the Clinton administration, when the Democrats controlled both the White House and Capitol Hill.

Despite his own party's readiness to write him off, yesterday did bring a few faint signs the gap might be narrowing. Two polls suggested the Clinton lead was 12 per cent, still enough for a big victory, but less than 20 per cent margin he has enjoyed lately. The Reform Party candidate, Ross Perot, inched to 8 per cent or more, almost double his showing of the past few weeks.

Though he brushes off co-terrestries from the Dole camp to withdraw, the Texas billionaire this week levelled a withering fire on the President in his public appearances, saying the Republican was "the better man," and that a second Clinton term would see Whitewater turn into a "Watergate Two." Mr Perot says the President already ought to have done "the responsible thing" by resigning. Mr Clinton dismissed the "character issue" with barely a ruffle. "Tell me truth, tell the truth," students shouted at Ohio State University, Columbus, as he set out education proposals. "I bet they won't be doing that" week from to-

## THE US PRESIDENTIAL ELECTIONS

day," Mr Clinton retorted.

Yesterday Mr Dole was again courting votes in Orange County, California, the most Republican county in the US, but where a poll shows him winning by 20,000 votes instead of the 300,000 margin needed to offset traditionally Democratic San Francisco and Los Angeles. Then, after almost four days in pursuit of California's 54 electoral-college votes, Mr Dole was due in Colorado, another state where Mr Clinton is comfortably ahead, before briefly returning to base in Washington for the night. But less than 24 hours beforehand, today's schedule was still undecided.

Trailing almost everywhere, Mr Dole can do little more than race to states where he seems to be narrowing the deficit, in the hope that his physical presence can convert the improvement into a win. But the tactics are a metaphor for his entire campaign, in which he has jumped from issue to issue, blown by headlines of the day.

The latest are Democratic gyrations on campaign finance, which began with revelations that the party had accepted large sums from Asian donors, and charges that John Huang, a former Commerce Department official turned Democratic fundraiser, used his post to solicit money.

The dispute took a new twist this week when the Democratic party refused to file its October campaign spending report, instantly raising suspicions of a cover-up. But Senator Christopher Dodd, the Democratic chairman, described the incident as a "tempest in a teapot," and said the report would after all be submitted on schedule.



Flying the flag: Mr Kohl reviewing a guard of honour yesterday in Manila at the start of an official three-day visit to the Philippines

Photograph: Reuters

# King Kohl finds a place in history books

Bonn - German politics passes a milestone this week. Tomorrow Helmut Kohl becomes, on his 5,114th day in office, the longest-serving chancellor of the century, supplanting in the record books his mentor and "spiritual grandfather", Konrad Adenauer.

According to a poll, Germans regard him as the sixth most important leader of the 20th century after Kennedy, Adenauer, Gorbachev, Brandt and Nelson Mandela, and just ahead of Churchill. Where Adenauer is remembered for the economic miracle, Mr Kohl is known as the "Chancellor of German unity".

Both he and Adenauer came from Catholic backgrounds, both sought majorities in the centre and steered clear of the patriotic right. They were conservatives who believed in social justice, the social market econ-

## Imre Karacs on the skill of the century's longest-serving German chancellor

omy and the need for consensus across class divides.

Temperamentally, however, there is only a passing resemblance. As the *Die Woche* said: "Adenauer was cold and cynical, Kohl is warm and cynical." The warmth radiates from those animated little eyes, conveyed by a pat on the back, a joke or a smile. Nobody kisses babies with greater conviction than Mr Kohl and few squeeze hands as willingly. He works hard, sleeps little and travels far and wide. He embodies German virtues of diligence, reliability, boundless self-confidence, straight talking and clean living. He may not sound brilliant, but what he says makes sense.

Sometimes. There have been occasions when he bent the

truth, revealing a different facet of his character. One has to look no further than his pronouncements in the days of unification. "Within four or five years," he promised, "East Germany will bloom." Mr Kohl must have realised, like the opposition, that the east would cost a lot more to rebuild than he admitted. He won the elections, but lost a chunk of credibility. Six years on, taxpayers still send 75 per cent of their earnings to the "New Länder", swathes of which remain an economic desert.

The cynicism is supplemented by Machiavellian ruthlessness. The Chancellor likes to control everything, discouraging free thinking and spontaneity in his team. Those suspected of



Adenauer: Kohl sees him as 'spiritual grandfather'

disloyalty are expelled at the first opportune moment, always timed to perfection. The danger, insiders warn, is that a chancellor surrounded by yes-men will lose touch with reality. So far, there seems little evidence of that, but complacency is creeping in.

Adenauer, who had to be hooted out of office at the age of 87 by coalition allies, shared another trait with his "grandson". Both saw the devastation Germans brought on themselves and both devoted their lives to the banishment of war. Salvation would lie in a united Europe, freed for ever of the threat of violence.

Mr Kohl, born in 1930 in Ludwigshafen, experienced privations under the Nazis, heard stories his father told on return from the Polish front, and mourned a brother who never came back. He was 14 when Walter died, and vowed to name his first-born son after him, a promise he kept 20 years later. Mr Kohl seems convinced war can return to haunt Europe unless his nations agree to pool their sovereignty.

But on this point the trust between the Chancellor and the

people is coming under strain. The vision of European integration comes through as abstract and the abolition of the Deutschmark as an affront to common sense. Again, as in 1990, he promises no hardship, but memories of that false pledge still rankle.

As a result of German unification, state coffers are empty, taxpayers are over-taxed and the economy is stuttering. Because of monetary union, Europe's powerhouse cannot be stoked, lest it should fail to attain the Maastricht targets. German unity, the Chancellor's most spectacular achievement, thus becomes the greatest liability, endangering his cherished dream of a united Europe.

When Germans go to the polls in autumn 1998, at the dawn of the brave new world of the euro, they will not fail to notice the irony.

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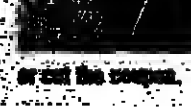
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## obituaries / gazette

## Diana Trilling

The American writer Diana Trilling was one of the last surviving members of the literary circle that came to be known as the New York intellectuals.

This was the group of literary critics and political writers that emerged from the ideological battles of the 1930s as leftist opponents of the Communist Party and staunch champions of modernism in literature and the arts. Its principal literary organ was *Partisan Review*, which two young dissident Marxist critics — Philip Rahv and William Phillips — managed to wrest control of in 1937 when they broke with the Communist Party, which had founded the journal five years earlier. Phillips remains the principal editor of *Partisan Review* nearly 60 years later, and some of Diana Trilling's best-known essays — on the guilt of Alger Hiss and the political career of J. Robert Oppenheimer — first appeared in it.

In its heyday, from the late 1930s to the early 1960s, the group counted among its stellar talents such writers as Dwight Macdonald, Mary McCarthy, Clement Greenberg, Hannah Arendt, Irving Howe, and Trilling's husband, Lionel, who died in 1975. (He also served for many years on the magazine's advisory board.)

Diana Trilling was frank to acknowledge that she owed her career as a writer to the man she married in 1929. In *The Beginning of the Journey*, a memoir of their marriage published in 1993, she wrote that:

Without him, I would no doubt have remained just another half-educated product of an expensive schooling. From Lionel, I learned not only what to read but also how to think about what I read. He gave me a literary and critical vocabulary and prepared the path to what eventually became my career.

That career commenced in 1942 with a regular column in the weekly *Nation* devoted to reviewing new fiction — a task to which, for some seven years, she brought an unfailing seriousness, if not always a perfect understanding. Evelyn Waugh, for example, proved to be entirely beyond her ken when it fell to her to review *Brideshead Revisited* in 1946, and in a review of



Trilling: formidable polemicist for liberal anti-Communism. Photograph: AP

*Nineteen Eighty-Four* in 1949 she chided George Orwell for the book's "fierceness of intention" and "implacable tone".

She was, to be sure, even tougher on American fiction. Writing in 1944, with the Second World War still raging in Europe and Asia, she lambasted "the refusal of American fiction to discuss any of the political, social, or psychological realities of the war," adding that "Ideologically, the war plays about the same role in our current novels that a storm plays in murder mysteries: it is something noisy going on outside the house to add to our indoor anxieties."

With the coming of the Cold War, however, Trilling turned more of her attention to subjects of political controversy, becoming a formidable polemicist in the cause of liberal anti-Communism, a writer who — in the view of her anti-anti-Communist opponents, anyway — now seemed herself to be possessed of an "implacable tone". She was particularly implacable on the subject of Lord Russell's labours on behalf of the international "peace" movement that, in the guise of moral neutrality, was in her view clearly serving the foreign-policy interests of the Soviet Union.

This aspect of Diana Trilling's

temed to point out, of the extent to which we still lived with what she described as "the cultural detritus of Communist fellow travelling" in the post-Vietnam War period.

Twenty years later the historical veracity of *Scoundrel Time* has now been thoroughly discredited, and Lillian Hellman's attack on the Trillings largely forgotten. But the episode itself proved to have a curious sequel as far as Diana Trilling was concerned.

What had incurred Hellman's wrath in 1976 was Lionel Trilling's characterisation of Whitaker Chambers as "a man of honour". This was restated in his introduction to a new edition of *The Middle of the Journey*, the novel he published in 1947 that was partly based on Chambers' personal history. (They had been undergraduate classmates at Columbia.) The novel was originally published, of course, before the Hiss case came to public attention in 1948, but when the case broke it gave the novel a currency it might not have otherwise enjoyed.

What was overlooked in the controversy over *Scoundrel Time* and the attempted censorship of Diana Trilling's book was that she had not specifically addressed the question of Whitaker Chambers' "honour" on that occasion. By the 1980s, however, as she settled down to the task of writing her own memoirs, she became more and more concerned to present herself to a new, left-leaning intellectual generation as a bona fide liberal. The implacable anti-Communist polemicist of the 1950s was now more and more concerned to denounce the rising influence of the "neo-conservatives" — many of them, like Irving Kristol and Norman Podhoretz, her old intellectual comrades in the anti-Stalinist battles of the Cold War. She now lived in fear that, owing to his profound critique of liberalism, Lionel Trilling might be posthumously appropriated as a founding father of the neo-conservative movement.

It was in this connection that Diana Trilling seized the occasion of an exchange of letters

with me in the *New Criterion* of May 1988 to announce that "So far as Chambers is concerned, I do have a post-trial disagreement with Lionel which I am glad to have this opportunity to record." While acknowledging that she "never argued this with Lionel", she now declared his characterisation of Chambers as "a man of honour" to have been a mistake, and ventured to suggest that, had he lived longer, "he might have amended the words he used" in his characterisation of Chambers.

As many of Diana Trilling's old friends saw it, she had now embarked upon a project that one of them described as "moving Lionel's coffin to the left", lest the neo-conservatives take possession of it. There was even worse to come when she published her memoir of their marriage in 1993, for much of the book was devoted to a remorseless psychoanalytic deconstruction of Lionel Trilling's character.

"I very much disliked the image of Lionel as someone immune to profanation," she declared, and with the headlong zeal she brought to every endeavour she undertook, Diana Trilling set about the unenviable task of mounting a protracted assault on her husband's character. His controversial characterisation of Chambers as "a man of honour" was now brutally dismissed as "a careless phrase."

Needless to say, many of the Trillings' old friends were horrified by this final turn in Diana Trilling's career, but it did succeed in winning her a degree of acclaim she had never before enjoyed in such bastions of liberal orthodoxy as the *New Yorker* and the *New York Times*. It was one of those turnabout developments in the realm of cultural politics about which the younger Diana Trilling would have had some fairly devastating things to say.

Hilton Kramer

*Diana Rubin, writer, born New York 21 July 1905; married 1929 Lionel Trilling (died 1975; one son); died New York 23 October 1996.*



Kelly as Timur in *Turandot*, with Amy Steward as Liu, Covent Garden, 1957. Photograph: Hilton Getty

## David Kelly

The Scottish bass David Kelly was a member of the Covent Garden Opera Company (now the Royal Opera) for 15 years, from 1955 to 1969, during which period he gave well over 700 performances of some 50 roles. He was the kind of ultra-reliable singer, able to turn his hand to anything, that every company needs, but does not always appreciate.

That Covent Garden did appreciate Kelly is demonstrated by the large number of performances he was asked to sing — 82 in his second season alone. He also appeared at Glyndebourne, with the English Opera Group, Welsh National and Scottish Operas, and was a popular concert singer.

Kelly was born in Kilmarnock and studied at the Glasgow Academy of Music. He spent a short time touring with the Carl Rosa Company, then in the summers of 1954 and 1955 sang the Keeper of the Mac in Stravinsky's *The Rake's Progress* at Glyndebourne. Later he was to sing Trulove in the same opera for Scottish Opera.

He made his Covent Garden debut on 26 October 1955, as Timur in *Turandot*. The following year he returned to Glyndebourne as a Priest and a Man in Armour in *Die Zauberflöte*, having already sung Sarastro at Covent Garden. Other roles in 18th-century works included Harafis in Handel's *Sansone*, as well as Antonio, the gardener, and Dr Bartolo in *The Marriage of Figaro*.

His introduction to 19th-century German opera was as Reinmar von Zweter, one of the Knights in *Tannhäuser*. His usual role in *The Mastersingers* was Hermann Ortel, Soap-boiler, but he also sang at least

one performance of Veit Poggendorf, Goldsmith, a much more interesting character. His other German roles at Covent Garden included Donner in *Das Rheingold*, Cuno in *Der Freischütz*, Vanuzzi in Richard Strauss's *Die schweigende Frau* and Man in the British premiere of Schoenberg's *Moses und Aron* (1955). At Glyndebourne in 1959 he sang Don Fernando in *Fidelio*.

Kelly was particularly at home in the French and Russian repertoires: he made an excellent Luniz in *Carmen*, sang both Nabul and King Priam in *Les Troyens*, and Cresspel in *Les Cortes d'Hoffmann*. In *Boris Godunov* he offered an amusing Vaarlam and a fine Pimen. He took part in the British premiere of Shostakovich's *Katerina Ismailova* (1963). He was perhaps less suited to Italian opera, but his Verdi roles included Dr Grexvil in *La Traviata*, a particularly sympathetic portrayal, the King and Ramfis in *Aida*, Monterone in *Rigoletto*, the Monk (who may or may not be the Emperor Charles V) in *Don Carlos* and Pistol in *Volpone*, while Angelotti in *Tosca* and Betto di Signa in *Gianni Schicchi* were two of his Puccini character parts.

However, it was to British 20th-century opera that Kelly made his greatest contribution. Having created the role of Saug the Joiner in Britten's *A Midsummer Night's Dream* with the English Opera Group at Aldeburgh in June 1960, he sang Saug in the subsequent Covent Garden production later the same year. In 1962 he sang the Old Man in the premiere of Tippett's *The King Priam* at the Covent Garden Theatre, and later at Covent Garden. In the revised two-act version of Britten's *Billy Budd*

(1964) he sang L. Ratcliffe, while his usual role in *Peter Grimes* was Hobson the carrier. He took the part of the He-Ancient in a revival of *A Midsummer Marriage*. All these characterisations were noteworthy for the confident style in which they tackled them, at a time when Britten and Tippett were considered "modern" composers.

Kelly also gave one and a half performances of Polonius at the British premiere of Humphrey Searle's *Hamlet* (1969). The second performance was stopped halfway through, and all others cancelled because of the illness of the hitless singing the title role.

In 1966 Kelly recorded the part of Lockwood in Bernard Herrmann's *Whispering Heights*, a virtual creation as the opera was not staged until 1987, seven years after the composer's death. Herrmann, who wrote many film scores, including those for *Clint Eastwood* and *Eyre* (with Orson Welles as Rochester) conducted the recording himself. Kelly also recorded his usual roles of L. Ratcliffe in *Billy Budd* and Saug in *A Midsummer Night's Dream*.

After his retirement from the opera house, David Kelly became a teacher at the Royal Scottish Academy of Music and Drama, and for over 20 years served as the head vocal studies and opera at the establishment, passing on his own great professionalism and sense of style to a new generation of singers.

Elizabeth Forbes

*David G. Kelly, operatic bass, born Kilmarnock, Ayrshire, 24 December 1933; twice married (one daughter); died Troon, Ayrshire 24 October 1996.*

## Gian Singh VC

In battle fear is infectious, but so too is courage. Frightened, numbed and bewildered soldiers under incessant fire can lose heart. It is in these circumstances that they look for inspiration and intelligent, courageous leadership.

At the protracted and vital battle of Kohima in Assam (now Nagaland) in May 1944, Gian Singh had experienced the resolute and sometimes suicidal methods of attack by the Japanese who were prepared to strap grenades to their bodies and hurl themselves at advancing units. Prior to the battle, the adjutant, Major Tony "Raj" Fowler, of the 4th Battalion, 15th Punjab Regiment, sent a message in Urdu to all his companies and spoke to his forward-placed troops, quoting from Shakespeare's *King John*:

Come the three corners of the world  
In arms  
And we shall shock them.  
Nought shall stand us here...

Had the Japanese overrun Kohima they would have gained access to the plains of India and could have attacked west towards Calcutta. But this attack was resisted and the Japanese

were forced to retreat. Singh and the rest of his regiment kept that after the success at Kohima that they could never be defeated by the Japanese.

With the Japanese retreating, in February 1945, combined British and Indian forces made the widest river-crossing of the Second World War when they crossed the Irrawaddy and advanced on the port of Myingyan which was being defended by the Japanese. Nial (which is the equivalent of a Corporal) Gian Singh was leading his platoon ahead of the rest of his battalion which was advancing down the road between Kamyne and Myingyan when the enemy opened fire with both artillery and intense machine-gun fire from behind well-camouflaged positions and a number of foxholes.

Singh immediately recognised the severity of the situation as his casualties increased; somehow the attack had to be repulsed. Pulling on his tactical intelligence and a deep reservoir of courage, he decided to attack the enemy single-handedly. Ordering his light machine gunner to cover him, he

assaulted foxhole after foxhole, hurling grenades and mopping up with his sub-machine. Although badly wounded in the arm, he refused medical attention and gained permission to attack again, this time a cleverly concealed anti-tank gun which was inflicting heavy casualties among his men. He ran forward at an oblique angle to the gun and killed the enemy with both grenades and sub-machine gun.

Both his actions, by any standards of gallantry in battle, were extraordinary. His men, previously held up, now inspired by his example, found again the quality of courage within and followed him down the road, destroying the enemy along both sides as they advanced.

Gian Singh's action was certainly in the finest traditions of the 15th Punjab Regiment and particularly the 4th Battalion. His hero (from the same battalion) was Ishar Singh VC, who in 1921, in fighting on the North West Frontier, with casualties all around him and severely wounded himself, had attacked the marauding light tribes single-handedly with his Lewis

gun, and later with his rifle, and kept down enemy fire while a medical officer was attending the wounded.

Sixteen days after Gian Singh's action, Lieutenant Karan Singh Judge, again of the 4th Battalion, eliminated 10 hunkers and was mortally wounded while attacking a covey of three more. He was to become the third member of the 4th Battalion to be awarded the Victoria Cross. Courage, it would appear, is contagious.

Myingyan was to fall later that month. The success of the battle proved to be a vital component in the campaign against the railway junction at Meitila. Once this had been captured, the Japanese 33rd Army lost its hold on central Burma.

Singh refused to be invalided out of the Army and was prominent in the drive on Rangoon for which he received a mention in dispatches.

When India was partitioned in 1947, the Indian Army was divided and individual regiments split up according to religious affiliation. Gian Singh was posted to the 11th Sikh Regiment, and saw action



Singh: contagious courage

against the Chinese who he they launched an offensive on the Indian border in 1962. He was decorated with the Indian MC and again after the fighting in Kashmir.

After retirement, this proud and outstanding warrior worked on the family farm near Nawabshah.

Max Arthur

*Gian Singh, soldier, born Shapur, Jullundur, Punjab 5 October 1920; VC 1945; married Hardial Kaur (died 1995; three sons, two daughters); died Jullundur 6 October 1996.*

## BIRTHS

**MILLAR:** To Kate and James in London, a son, Ludovic Angus Davidson, on 24 October 1996. Everyone well and Hector is delighted.

## DEATHS

**FOURDE:** On 20 October, tragically in a car accident, Jane (née Hynes), beloved wife of John, dearly loved mother of William, Caroline, Diana and James and devoted grandmother of nine grandchildren. Funeral service St Michael & All Angels, Thurley on Wednesday 26 November 11.45am followed by private service at Guildford Crematorium. Family flowers only, please. Donations in lieu, if desired, to Great Ormond Street Children's Hospital Fund, c/o Robert Ayling FRS, 25 South Road, Guildford GU2 7NY.

**GREGORY:** John, author and dancer, died peacefully in hospital in London on Sunday 27 October 1996, aged 82. Much loved husband of Barbara, father and grandfather. Funeral service at St Nicholas Church, Cross Street, Salisbury, on Saturday 3 November, at 3pm on Friday 1 November. Flowers to Lloyd Durham Funeral Director, 11a Avenue Road, Kelling, Norfolk.

**HARRISON:** On 20 October, unexpectedly in hospital, the Rev Victor Ralph, aged 83, retired parish priest, retired director after 30 years of (Gurukul) Gurukul Lal. He was an expert in international securities and foreign exchange. Beloved husband of Ruth, loved father of Janet, Philip and Elizabeth and proud grandfather

## Births, Marriages &amp; Deaths

of Adam, Kathryn and James. Funeral service at 3pm on Thursday 31 October 1996 at St Nicholas Church, Harwich followed by private cremation. No flowers but donations for his favourite charities may be sent to R. Gwynne & Sons, 24 High Street, Manningtree.

**HOARE:** Graham, aged 53, of Stamford, Middlesex, on 28 October, tragically in an accident in Peru. Beloved son of Ruth and Colin, brother of Susan and Louise, uncle of Heidi and Oliver and brother-in-law of Alan. He will be deeply missed by his family, friends, colleagues in the law and all who knew him.

**SISMAN:** David, aged 76, died peacefully on 24 October 1996 after a long illness. Private funeral, no flowers but any donations to the Royal Star and Garter Home for Disabled Soldiers, Soldiers and Airmen, Richmond. Memorial service to be held at St James's Church, Farnham, on Sunday 1 December 1996 at 3pm.

For Gazette BIRTHS, MARRIAGES & DEATHS, please telephone 0171-293 2011. "Lifebeat" answering machine 0171-293 2012 or fax to 0171-293 2010. Charges are £6.50 a line (VAT extra).

scath House, 1-19 New Oxford Street, London WC1; as Patron, the British School of Osteopathy, attends the Graduation and Prize Giving Ceremony at the Deodar, 66 St William Street, London SW1.

Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

## Forthcoming Marriages

**Mr S.M. Clarke and Miss M.S. Hoey**  
The engagement is announced between Matthew, youngest son of Mr and Mrs Charles Clarke of Goscombe Court, Somerset, and Melissa, younger daughter of Mr Mariana Goulandris of Yarncombe, Devon, and of Mrs James Hoey of Devon, Malton.

**Mr G.F. Jones and Miss R.M. Pretorius**  
The engagement is announced between Gregory, son of Mr and Mrs Colin Jones, of Bournemouth, Kent, and Rosalind, eldest daughter of Mr and Mrs Stephen Pretorius of Johannesburg, South Africa.

**Birthdays**  
Sir Charles Brett, solicitor, 68; Sir Anthony Campbell, High Court judge, Northern Ireland, 60; Lord Chilver, chairman, RJB Mining, 70; Sir Robert Clayton, former technical director of GEC, 81; Mr John Dain, diplomat, 57; Mr Stephen Day MP, 48; Lord Derwent, managing director, Hutchinson Whampoa (Europe) Ltd, 66; Sir Robert Eason, chairman and managing director, GEC Scotland, 74; Professor Sir Christopher Foster, advisor to the chairman, Coopers & Lybrand Associates, 66; Sir Sydney Gifford, former diplomat, 70; Sir Malachy Higgins, High Court judge, Northern Ireland, 52; Lord Robertson, former secretary of the College of Justice in Scotland, 84; Mr Stanley Sadleir, Editor, Grove Music Dictionary, 66; Sir William Shelton, former MP 67; Miss Grace Slick, rock singer, 57; Miss Juliet Stevenson, actress, 40; Lieut-Geno Sir Richard Swinburn, farmer, and former General Officer Commanding, Southern

District, 59; Admiral Sir Gordon Tait, 75; Sir David Wilson, former director of the British Museum, 65; Mr Michael Wilmer, film producer and director, 61.

**Anniversaries**  
Births: Maria Anna Angelica Knifmann, painter, 1741; Richard Brinsley Butler Sheridan, playwright, 1751; Ezra Loomis Pound, poet, 1852; Beatrix John Chubb, localist, 1872; Jean-Henri Dunant, Swiss founder of the Red Cross, 1910. On this day: Orson Welles' radio play, *The War of the Worlds*, caused panic in the US, 1938. Today is the Feast Day of St Alphonsus Rodriguez, St Asterius of Amasea, St Eliberyth, St Germanus of Capua, St Marcellus the Centurion and St Serapion of Antioch.

**Lectures**  
The Gallery, Turner Prize Gallery Talk: Virginia Burdon discusses this year's shortlist, 1pm.

**Dinners**  
Royal College of Physicians of the United Kingdom  
Sir William Asscher, President, Faculty of Pharmaceutical Medicine of the Royal College of Physicians and Lady Asscher were hosts of the annual dinner of the Faculty of Pharmaceutical Medicine held yesterday evening at the Royal College of Physicians, St Andrew's Place, London NW1. Dr Alexander Mocars, Chairman of Council of the British Medical Association, and guest of honour, proposed the Faculty, and Sir William Asscher responded. Sir David Jack and Sir John Vane, Nobel laureates, were awarded Honorary Fellowships at the preceding Annual General Meeting.

## Court quashes mortgage fraud convictions

## LAW REPORT

30 October 1996

**Regina v Graham (Rix) and others; Court of Appeal (Criminal Division) (Lord Bingham of Cornhill, Lord Chief Justice, Mr Justice Beldford and Mr Justice Cresswell) 25 October 1996**

If the particulars of offence specified in an indictment could not, even if established, support a conviction for the offence of which the defendant was accused, a conviction for such an offence must be considered unsafe and therefore quashed. A conviction for another offence could only be substituted where such an allegation was expressly or impliedly included in the original count.

The Court of Appeal (Criminal Division) allowed appeals by (i) Hemamali Krishna Graham, (ii) Rupe Lal Kansal, (iii) Sajid Pasha Ali, (iv) Terence Colin Marsh, (v) Garry Allan Graham, (vi) Paul Graham Price and (vii) David Bramish, against convictions for various offences of obtaining or attempting to obtain property by deception.

In cases (i)-(iii), which involved mortgage fraud, the court held that the convictions were unsafe, that no conviction for an alternative offence could properly be substituted, and that a retrial would not be appropriate.

In cases (iv)-(vii), which involved obtaining cheques from finance or insurance companies, the court held there could be no substitution where only an attempt had been charged, but for those counts that charged the appellants with actually obtaining property by deception, convictions should be substituted for alternative offences under section 20(2) of the Theft Act 1968 (procuring the execution of a valuable security by deception) allegations for which had been included in the original counts.

In each case the original convictions could not be sustained following the House of Lords' decision in *R v Preddy* (Law Report, 17 July 1996; [1996] 3 WLR 255), that the debiting of a mortgage lender's bank account and the corresponding crediting of the mortgagee's account as a result of the latter's dishonest misrepresentation did not amount to the "obtaining" by the mortgagee of "property belonging to" the lender within section 15 of the Theft Act.

The Crown argued that the should exercise its power under section 3 of the Criminal Ap-

peal Act 1968 to substitute verdicts of guilty to other offences said to be expressly or impliedly included in the counts on which the defendants had been convicted.

For the appellants: (i) and (ii) *Ivan Krolik* (Macclesfield) and *Louis Glatt & Co*; (iii) *Anthony Arlidge QC* and *Rosamund Harwood-Smart QC* (assigned by the Registrar of Criminal Appeals); (iv)-(vii) *Richard Lisack QC*, who did not appear below, and *James Cunnell* (assigned by the Registrar). For the Crown: (i) *Andrew Rodcliffe*, (ii) *William Coker QC*, (iii) *Jane Sullivan*, (iv)-(vii) *Bruce Houlder QC* and *David Perry* (all instructed by Crown Prosecution Service).

Lord Bingham LCJ said that under section 2(1) of the Criminal Appeal Act 1968 as amended by the Criminal Appeal Act 1995, if the Court of Appeal concluded that an appellant had been wrongly convicted of the offence charged, or was left in doubt whether the appellant had been rightly convicted of that offence, then it must of necessity consider the conviction unsafe. The court was then subject to a binding duty to allow the appeal.

Before the court could substitute a conviction for an al-

ternative offence, the prosecution had to establish: (1) that the jury could on the indictment have found the appellant guilty of some other offence (see B), and (2) that the jury must have been satisfied by facts which proved the defendant guilty of offence B.

As to (1) it would be sufficient if, looking at the indictment (not the evidence), the allegation in the particular count expressly or impliedly included an allegation of offence B.

As to (2) the appeal court had only the verdict of the jury to go on. The fact that the jury did not have a proper direction as to offence B was a high relevant consideration, was the question whether there were reasonable grounds for concluding that the conduct of the defence would have been materially affected if the appellant had been charged with offence B.

In the typical case where the appeal court was asked to exercise the power under section 3, the alternative offence was a lesser offence, where there was a clear hierarchy of offences at common law, by statute, eg manslaughter, murder or affray for violent disorder.

Paul Magrath, Barrister



# A peace force is the best hope for Africa's future

Half a million people are fleeing. The EU warns that one million people are at risk from starvation, war or disease. Three countries, already in varying stages of disintegration, are clawing at one other. The largest, Zaire, has ceased to exist as a functioning political entity. Events in central Africa resemble a jigsaw made from shards of poison-dipped glass – horrific brutality amid jagged confusion.

It is difficult to believe that the world should have cause to miss the Zairean president, Mobutu Sese Seko. But his serious illness (he has been in a cancer clinic in Switzerland for two months) was the starting point for the present murderous crisis. In his absence, the dogs of anarchy and local warlordism, bred (with Western complicity) by years of Zairean corruption and incompetence, have slipped the leash.

Tutsis, established for two centuries in eastern Zaire, have taken up arms under threat of eviction from regional bosses on the make. They appear to have vanquished a rag-tag and unpaid Zairean army, enlisted mostly for plunder. The defeated soldiers were running amok yesterday in the town of Bukavu. At the same time, reliable reports suggest, the Tutsi military government in neighbouring Rwanda has seized the opportunity to settle scores with the Zairean-backed Hutu killers lurking amidst the two million Rwandans – a quarter of the country's pop-

ulation – rotting in refugee camps just inside Zaire. Many of these Hutu refugees were involved in the genocide of up to 800,000 Tutsis and moderate Hutus in the 1994 Rwandan civil war. They fled to Zaire when the Tutsis won. The UN-run camps have since become a base for revenge attacks on Rwanda by remnants of the defeated, genocidal Hutu army. The failure of the international community to deal with this evil presence must also carry part of the blame for the present crisis.

Attacks on the camps in the past week, probably the work of the Rwandan military despite Kigali's denials, have sent hundreds of thousands of people fleeing, some west into Zaire, and some east into Rwanda. Zaire also blames the Tutsi-run army in Burundi, which is in the throes of its own brutal Tutsi-Hutu civil war. The risk – worse, the likelihood – is that the three countries will become embroiled in the coming months in an uncontrollable medieval conflict between roving rebel bands and unaccountable armies. Some African experts fear that such a war might spill over into Uganda and Tanzania, threatening up to 30,000,000 people.

What is to be done? The answer should be divided into two parts, present and future. What, if anything, can be done about the present situation? What can the world do, in the longer term, to police, or prevent,

the ethnic conflicts which erupt in Africa with such distressing regularity? In reply to the first question – What Can Be Done Now? – it would be foolish to pretend that the international community will be willing to do much; or that there is much, at this stage, that we can do. Military intervention, Somalia-style, by the UN or anyone else seems inconceivable. Intervention against whom and for whom? Political intervention is obviously desirable. The US and the EU – and crucially, South Africa – must do all they can to threaten, or bribe, the belligerents to pull back from the abyss now opening before them. But we should not underestimate the difficulties. There is no Zairean government worthy of the name to talk to. Rwanda and Burundi are run by Tutsi military regimes, which have limited sympathy for the plight of Hutu refugees.

On the other hand, the Tutsis form only 15 per cent of the populations of Rwanda and Burundi. Tutsi soldiers cannot expect to rule either country indefinitely without some form of political settlement. Some hope resides in the relative absence of revenge killing by the Tutsis now in power in Rwanda. Further suffering and killing are

unavoidable but it would be wrong to give up completely on these two tiny, beautiful, but benighted countries. Zaire – the original Heart of Darkness – may pose much the larger threat. If President Mobutu dies, the virus of anarchy and violence could spread from eastern Zaire throughout that vast country and beyond.

That terrifying prospect brings us back to the second part of our question. What can be done to stop, or police, such ethnic and post-colonial conflicts in Africa at an earlier, less intractable stage?

Warren Christopher, the US Secretary of State, was touring Africa this month, peddling the idea of an African-manned, but US armed and financed, permanent sub-Saharan peace force. A similar idea, French and British trained and UN financed, has been discussed ineffectually between Paris and London. Predictably, Mr Christopher's initiative annoyed the French. It also failed to impress African leaders, who were suspicious of Washington's attempt to cut out the United Nations.

The idea remains, in principle, a good one. Once the US election is over and the Clinton administration can mute its poll-driven UN-phobia, the concept should be urgently re-examined. The Americans and Europeans should forget their differences and pool their expertise and resources. An African peace force for Africa should

exist under the general authority – if not the bureaucratic control – of the United Nations. If not the UN, who would decide acceptably when such a force should be deployed? Crucially, the South Africans must be involved, for the moral authority and military strength they would lend to the scheme. It would be unrealistic to expect such a force to be created and trained quickly. But events in central Africa – especially the prospect of nuclear meltdown in Zaire – suggest that time is limited.



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## Shepherd called in by the head

John Major is reported to have had a "good conversation" with Gillian Shepherd yesterday. She subsequently "clarified" her views on caning – pol-speak for denying she had said what she said an hour or so earlier. (There's a fine moral example for the young.) Let's hope it was a worthwhile conversation. In it, presumably, the Prime Minister talked about the Tories' credibility if their Education Secretary sounds off, promising policies the Cabinet has no intention of adopting. Let's also hope, more fervently, he said something uncomplimentary about going back to the bad old days when we thought it was acceptable to beat children with bits of wood.

## LETTERS TO THE EDITOR

### Yes, schools can teach us morality

Sir: Morality can very much be taught (leading article, 28 October). It has been taught as a philosophical discipline for as long as universities have existed. Indeed, it can be taught at school level, as secular alternatives to religious education in German schools demonstrate.

Clearly, the mainstream religions are not any longer in the situation to provide moral guidance. Their history of mass murder and violation of their own codes of moral conduct make this point time and again.

However, you seem to confuse the issue of teaching ethics, which is easy, with living a moral life. We can teach students in school what they ought to do and how they ought to live their lives. Even though there is a wide range of differing ethical theories around, their practical conclusions are not that different in most situations.

The question, however, that many young people ask in a country ravaged by 17 years of Conservative rule, is: why should they live a moral life? As a society and as ethicists we need to provide an answer to this question, and indeed, I think we need to provide this answer at a very early stage in our education of children.

UDO SCHUKLENK  
Lecturer in Applied Ethics  
University of Central Lancashire  
Preston

Sir: There is a good deal of truth in your leader heading "The lesson is that morality is unteachable". However, the long history of our Judeo-Christian tradition shows that it is not the whole truth.

Of course, human freedom means that moral teaching must be freely embraced if it is to last. However, it is not enough to put the main burden of imparting good living to the next generation on parents who will be "the main source of exemplary conduct" plus learning by the example of those around us.

We have been living on our capital reserves of morality for a long time now without paying sufficient attention to them; all the evidence is that present-day results are not what we want.

If there were to be no general teaching in schools about moral and religious values, the downward trend would almost certainly continue. We may disagree on the most effective ways of putting moral values before the next generation whilst they are at school, but to remove morality and religion from our schools and leave it to the good people in society has never been sufficient.

HUGH LINDSAY  
Grange-over-Sands, Cumbria  
The writer was Roman Catholic Bishop of Hexham and Newcastle 1974-1992

Sir: The July report by the School Curriculum Assessment Authority described an excellent set of moral values for the school curriculum – together with the necessary philosophy in support.

The authority's findings agree totally with the conclusions of the people who matter – the pupils – when and if they are allowed weekly opportunities to discuss and share their feelings with each other about personal and social issues. They, and they alone, do the teaching and healing.

This occurred over a 15-year period in our large comprehensive



Michael Heath's Britain: The Alternative Booker Prize for Fiction

school. The pupils learned to respect themselves and care for others. They were never taught morals. This approach was so effective that the young people asked us to see that all schools adopted this policy because it had changed their lives – whether high or low achievers.

ROBERT K MCKECHNIE  
Sedmouth, Devon

Sir: It is hard to believe that they really mean to foment subversion among our young by introducing "citizenship lessons" into the national curriculum ("Teachers call for little citizens", 28 October). They've presumably forgotten the meaning of words as usual.

We Ukies are subjects, not citizens, our rights and responsibilities being the stuff of legislative happenstance, not constitutional guarantee. What they must actually intend for the kids is "subjecthood drill".

SPENCER HAGARD  
Cambridge

Sir: There is a fundamental problem with the morality crusade launched by the well-intentioned Frances Lawrence and the not-so-well-intentioned politicians jumping on the bandwagon.

Moral values cannot be conjured out of thin air and used to create a better society. Morality is the product of society, not the other way round.

We live in a society based on exploitation and cut-throat competition. That society creates its own (lack of) morality. To create a different morality we need to build a society based on co-operation and equality.

But that means challenging capitalism, and none of our

hypocritical political leaders are prepared to do that.

PHIL WEBSTER  
Clitheroe, Lancashire

Sir: One aspect of the "values" debate appears to have been ignored. That is the need to integrate concepts of power and responsibility. As a start we could begin to change the language we use: more emphasis on "the corridors of responsibility" and "responsibility corridors". When did we last hear of people "lusting after responsibility"?

BRUCE LLOYD  
Principal Lecturer in Strategy  
South Bank University  
London SE1

Sir: With all this moralising and Christianity becoming all the rage, is there anyone left on the political stage who wants to ponder to the votes of us amoral atheists?

SIMON GARDNER  
Cheddington, Buckinghamshire

**Miserable Brits**

Sir: My husband and I find it ironic that whilst you report on French "morosité", we are used to popping over to France for a few days to escape the doom and gloom that has pervaded Britain for as long as we can remember. The only places, on our travels, where we have come across so many gloomy faces were Communist Moscow and the former East Germany.

ROSAMARIE CRAVEN-MAEDER  
Ringmer, East Sussex

**US misguided on monarchies**

Sir: It is not just the British monarchy which many in the United States find "profoundly offensive", in the words of Godfrey Hodgson ("He's not our Uncle Sam", 25 October), but this antipathy to the principle of monarchy is nothing to be proud of.

Successive US administrations have promoted, or connived at, the abolition of monarchies across the globe, such as Hawaii, Italy, Libya and Iran. Which of these is any better for being a republic? When will the United States have the courage to admit that it made a fundamental error in failing to support the Shah in 1979? The Iranian monarchy's replacement by a republic has resulted in untold misery for the Iranian people, violent attacks on innocent people around the world, the rise of Saddam Hussein, destabilisation of the whole Gulf region, a costly war in Kuwait and a continuing crisis in Kurdistan.

The one exception to America's anti-monarchy policy was Japan, where General MacArthur very sensibly argued for retaining the Emperor. Has it gone unnoticed that the Iranian republic is a dictatorship which exports terrorism, while the Japanese Empire is a democracy which exports transistors?

DONALD FOREMAN  
Secretary-General  
The Monarchist League  
London WC1

**Ulster bloodbath is for the birds**

Sir: I was somewhat alarmed to read in a letter by RA McCartney (22 October) of his fear of a bloodbath in Northern Ireland in certain circumstances: principally the withdrawal of Britain from the country. He believes that this would bring about a slaughter of Catholics by Protestants who have about 100,000 legally held lethal weapons at their disposal.

Northern Ireland has a different licensing system to that in Britain. The figure for privately held weapons includes airguns, personal protection weapons issued to people under threat, and people involved with animals which can be dangerous.

Why does RA McCartney assume that only Protestants hold legal weapons? Let me just say that for over 40 years I have been shooting in the company of members of both persuasions – just as many Catholics as Protestants – and we have got on famously, whether on the clay pigeon range or by marsh or covert.

A Catholic friend, on seeing your letter, remarked: "I wonder what he thinks we'd be doing, seeing probably a quarter of the guns are in our hands? Sitting waiting to be done in?"

Your correspondent is fortunate that he can put his name and address to his letter while I cannot, lest I target myself as a holder of firearms to the wild men of either side.

Name and address withheld  
County Antrim

**Fight for babies in foreign jails**

Sir: Your article "Fears for babies in foreign prisons" (28 October) outlines some of the problems experienced by British women held overseas. Prisoners Abroad is very concerned for these babies and their mothers.

The number of women held overseas has increased over the past two years from 5 per cent to 10 per cent of the total of detainees. Prisoners Abroad is supporting around 120 women, the vast majority convicted for a drug-related crime. The simple answer is to request for their early release, but this may not be in the best interests of justice.

Two possible solutions may meet both competing needs. First, where possible, these women could be transferred back to the UK to complete their sentences. Where this is not possible, optimal prison settings should be provided.

CARLO LAURENZI  
Executive Director  
Prisoners Abroad  
London EC1

**Co-op was first**

Sir: The Consumer Co-operative Movement anticipated the announcement by Sainsbury (report, 26 October) with the opening of the Wholesale Society's deposit and loan department in 1871. Although initially intended to service the retail societies, it achieved full clearing bank status in 1971 and today leads the industry in ethical banking.

RICHARD BICKLE  
University of East Anglia  
Norwich

### Where are the modern muses?

Sir: While I welcome the fact that you placed nine women on the front page ("The Muses for a modern Britain are unveiled", 25 October), I fear that the chosen Muses do not live up to their original models – not least because they include not a single poet or literary figure.

Richard Samuel's original painting, exhibited at the Royal Academy annual exhibition in 1779, portrayed a group of controversial intellectuals of cultural prominence and commercial success.

These important predecessors of Mary Wollstonecraft included Charlotte Lennox, poet, author of *The Female Quixote* and first scholar to uncover Shakespeare's sources for the plots of his plays; Elizabeth Carter, poet and translator of Epictetus; Elizabeth Montagu, Voltaire's impressive adversary in her best-selling *Essay on the Genius and Writing of Shakespeare*; Catherine Macaulay, Whig historian, pamphleteer and educationalist; Anna Barbauld, poet and critical editor of *The British Novelist*; Hannah More, poet, playwright and moralist; and Angelica Kauffman, a co-founder of the Royal Academy who practised the traditionally masculine and public art of history painting, as well as portraiture and interior decoration. She produced designs for Montagu's salon in Portman Square, a famous literary meeting place.

These women corresponded and read each other's work throughout their lives, conscious of their status as sister artists and cultural pioneers. In painting a group of ground-breaking professionals, Samuel's painting differs from more conventional portrayals of merely "accomplished" females. He created an important document of feminist and literary history.

Where are the poets and writers in today's version? Where are the Germaine Greer, Wendy Cope, Rachel Whiteread, Marilyn Butler, Iris Murdoch and Jo Brand? A truly modern Muse might paint her own figures of inspiration. Any suggestions?

ELIZABETH EGER  
King's College, Cambridge

**Hardly a lady**

Sir: In his review of my production of *The Doll's House* (26 October), Paul Taylor refers to "a lady" in what looked to be a party of backers seated in the main box". He continues: "During the performance this female received four calls on her mobile phone and took them at length in the corridor by the side of the auditorium, thus making what sounded like discussions with her commodities broker compete with the play for the attention of half the stalls."

Mr Taylor may be assured that the "lady" is not one of my backers. My backers are theatre-lovers. The lady was unknown to me and will remain so.

THELMA HOLT  
London WC2

**Right wheel**

Sir: Some MPs are against the proposed Ferris wheel across the river from Westminster. How can participants in parliamentary question time object to anybody else having fun going round and round in circles?

PATRICK CAFFERTY  
York



## essay

# Is the NHS safe under Dr Blair's team?

The Opposition's once distinctive stance on health has dissolved for lack of fresh thinking. Jack O'Sullivan examines a failure that the Tories will exploit in the general election

The NHS may be in poor shape, but its condition is nothing like as moribund as Labour's performance on health. After 17 years in opposition, the party no longer has a stance on the NHS that is either distinctive or convincingly deals with the problems that the service faces. The serious question is: can Labour run the health service any better than the Tories?

One very senior NHS official says privately of the current cash shortage in hospitals: "It's as bad this year as it has ever been." He should know, having dealt with the winter of 1987, when thousands of hospital beds were closed, when David Barber, a hole-in-the-heart baby, had his heart operation cancelled five times, and when John Moore, then in charge of health, was politically destroyed and Margaret Thatcher announced a policy review which resulted in the 1991 health service reforms. You might expect this prospect to send Labour front-benchers rushing to the despatch box with a searing critique of government failure and a thought-out set of solutions. Yet the Opposition is strangely muffled on the NHS. Gone are the days when Robin Cook harried and humiliated his then opposite number, William Waldegrave. And Labour is as short as ever of fresh ideas.

John Major's government has a more confident demeanour over the NHS. At last it has a credible Health Secretary, Stephen Dorrell looks and sounds competent. The succession of two floundering politicians, William Waldegrave and then Virginia Bottomley, to the more sure-footed and determined Kenneth Clarke (who pioneered the first tranche of NHS reforms) did little to boost public confidence that the health service was safe with the Conservatives. In contrast, the business-like Dorrell is good at short-term management. He anticipates potentially explosive issues, such as problems with accident and emergency provision and shortages of intensive care beds, and takes pre-emptive measures.

Dorrell will probably take the sting out of the looming 1997-style crisis. He got himself into a mess by winning too little during the last public expenditure round. And he is averse to going back for more mid-year: his leadership ambitions dictate that he must look tough on public spending. But Kenneth Clarke will probably rescue his ideological ally. Expect managers in the NHS to be told that there will be plenty of money in the pipeline in the next financial year - they should muddle through with a bit of creative accounting. But the Major government's

avoidance of political crisis is not just because Stephen Dorrell has learned to avoid obvious pitfalls. It is also thanks to Labour's complacent attitude, which has focused on scoring points in opposition rather than constructing a viable alternative.

In the past four general elections, Labour has played a negative game over the NHS, issuing dire warnings. It has been a cheerleader of professional groups such as the doctors, vociferous in their opposition to change. And the Government has stewed.

But what did Labour's opposition amount to? That the NHS needed more cash and that the Tories' changes would lead to privatisation.

The message rang true for voters. But it was a cynical tactic, because, in reality, Labour offered little alternative to Tory policy, an inadequacy overlooked in the hysteria about funding shortfalls and the supposedly sinister hidden agenda of the Tories.

This time around, these tactics may not wash. Labour has as good as admitted that the NHS run by Tony Blair would not be very different. There would be almost no extra money: the best that Chris Smith, Labour's new health spokesman, could offer at the party conference was an extra £40m, gleaned from administrative savings, to cut cancer

surgery waiting times down to two weeks. This is a drop in the ocean, given that the NHS costs more than £42bn a year.

Gordon Brown's determination to leave no hostages to the Tory propagandists and protect Labour from tax-raising charges means that Chris Smith's hands are tied. This reality is reflected in a policy document, *New Agenda for Health*, being published today by the left-leaning Institute for Public Policy Research. "From where we stand now," it says, "there will be no significant new public money for health care in the UK."

Then there is the supposed ideological gulf, said to have distinguished the two parties. That has all but disappeared. Labour now accepts the all-important separation of purchasing by health authorities from the provision of care by hospitals and other NHS units. The party still rails against GP fundholders, but goes along with the principle that family doctors should be key figures in deciding what care hospitals should provide. There is much casuistry about the language of contracts and markets, but, under Labour, health authorities and GPs would still strike deals with hospitals.

So what has all the noise been about? The damaging impression is that Labour has been crying wolf. Worse is the fact that, after 17 years in opposition, Labour has precious little fresh to offer on how it would run the NHS.

The rapid turnover in Shadow Health Secretaries is one reason for this failure. Since Robin Cook moved on in 1992, David Blunkett, Margaret Beckett, Harriet Harman and now, over the past few months, Chris Smith have beaten the Labour drum. None has shown much sign of innovation beyond catching up with the Tories on the structure of the NHS. Compare Labour's idle performance over health with, for example, its tenacity in seizing the agenda over crime policy.

All of which has left the Government with an opening to destroy any Labour election challenge on the NHS. "The Tories are planning to go for them in the run-up to Christmas, because they don't think Labour has a policy," says one health expert.

In his conference speech, John Major indicated the new strategy when he promised that the health service could expect generous funding (as it always

does under all governments as a general election approaches). Next week, the Prime Minister will himself take the lead in a White Paper on the NHS, which will declare that the health service is "part of the fabric of Britain... it must continue to be there when we need it." The document highlights that since 1979 NHS spending has risen annually on average by 3 per cent in real terms. Real annual increases in tax-funded spending will continue under the Tories, the paper states. And the old threatening language of markets and competition, which voters felt so uncomfortable with, has been excised, as it has been for several years from ministers' speeches.

The White Paper slaps down the right-wing argument, put forward by Sir Duncan Nicol, former NHS chief executive (now working in the private sector), that the NHS is becoming unaffordable because of the inflationary effects of technological progress and caring for more elderly people. Medical advances may well bring savings as well as fresh costs, says the document hopefully. The age-

PHOTOMONTAGE: MARK HAYMAN



On the case (clockwise from bottom): Chris Smith, Margaret Beckett, Robin Cook, David Blunkett and Harriet Harman

ment, has estimated that Fluor could be released by eliminating ineffective procedures.

Today's IPPR document calls for an "NHS Effectiveness Index" to identify health outcomes of treatments. Chris Smith recently indicated that Labour is now more interested in "effectiveness" than altering the structure of the NHS.

But policy innovation remains much slower here than in the United States. There, Alain Enthoven, the Stanford University professor who inspired Margaret Thatcher to reform the NHS, has suggested changes which, if applied to Britain, could dramatically alter medical practice. His research in the US suggests that Britain could get by with a quarter of the hospital beds currently used, given the opportunities of day surgery and primary health care. In the US, whose insurance-based system has traditionally been slack on cost control compared with the NHS, hospitals are being closed in a much fiercer rationalisation than has happened here.

This news will not warm the hearts of many health professionals. And doctors will not be happy with a recent study in the *Journal of the American Medical Association*. It argues that plenty of their work could be done by nurses. If best practice were followed, the study said, the US could, by the year 2000, manage with about 150,000 fewer doctors - 25 per cent less than at present. Similar reductions might be available here. Alan Maynard, Professor of Economics at York University says: "Britain could also be facing a radical overhaul in the way we use our medical workforce."

Meanwhile, US doctors are tightly controlled by strict treatment protocols, currently based mainly on controlling cost, which will increasingly reflect research on which treatments produce the best outcomes.

Finally, there is the issue of rationing: who gets what. Like it or not, hard decisions will have to be taken about how the NHS sets its priorities. "We need some national leadership on these issues," says Chris Ham, professor of health policy and management at Birmingham University.

One option, he says, would be to follow the example of New Zealand and establish ground rules, based on effectiveness, setting out the type of patients who should gain access to treatments that cannot be afforded for all. So far, politicians have shrunk from this prescriptive role for fear of the electoral consequences. They prefer to turn a blind eye to locally determined decisions.

All of this reflects how political debate about the NHS has died long before the problems have been solved. It may be that the Conservatives, if they win the general election, will rediscover the vigour that characterised their management of the NHS in the early Nineties. But there is now a large doubt about Labour. Will the party have a good answer if voters ask, for the first time in decades: "Is the NHS safe in Labour's hands?"

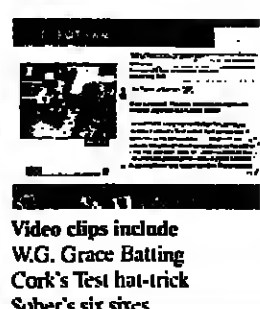
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## Filofaxes ain't what they used to be



Miles Kingston

From time to time I bring you a Where Are They Now? feature, in which we look back at the names of forgotten celebrities and ask whatever happened to such people as Mike Yarwood and General Gallieri. Today I thought it would be instructive to turn our attention to things. Things that were once familiar, objects we once lived with, but which have vanished from our lives without leaving a farewell note. And to ask the question: where are they now?

Alternative Comedy Alternative comedy burst on

to our consciousness some time in the early Eighties, when the whole comedy scene was shaken to its roots by the appearance of comedians who were as rude as Max Miller and disrespectful as *Beyond the Fringe*, as inventive as *The Goon Show* and as surreal as *Monty Python*. Nothing like it had been known before, unless you knew about Max Miller, *The Goon Show*, *Monty Python* or *Beyond the Fringe*. It was called Alternative Comedy because, as one of its early practitioners said, "If you didn't like comedy, this is a good alternative."

Ben Elton now writes novels. *Irish Question*, The *Irish Question* is always with us, but it always changes just as soon as it looks like attracting an answer. The *Irish Question* used to be "Why can't the Irish stop all this mullarkey and live together in peace?" but recently it has changed, and the *Irish Question* is now as follows: "Why has Ireland suddenly become so damned fashionable, what with every bar in sight being turned into an Irish so-called pub, and this *Riverdance* nonsense with nobody

moving from the waist up, and *Father Ted* being so popular and Irish comedians winning the Perrier Award all the time, and Roddy Doyle, and all that, will you tell me that, eh?" *Fizzy Water* Fizzy water used to be very common till about 10 years ago but has been totally replaced by "sparkling" water. The *Feelgood Factor* The *Feelgood Factor* is not much talked about these days, as it was always being predicted but never arrived, rather like Norman Lamont's little green shoots. People are sometimes nostalgic for the days when the *Feelgood Factor* was being predicted, but not for the thing itself, a curious example of nostalgia for something that never existed. *Filofaxes* *Filofaxes* were loose-leaf diaries which you could add to by buying new pages showing international air schedules, useful phone numbers in Bahrain, tube maps of Glasgow, etc. People even used to buy each other *Filofax* supplements as Christmas presents. What happened was predictable, though no one ever predicted it: namely,

*Filofaxes* got heavier and heavier and people started being crushed to death by them, or falling over under their weight and having serious accidents. They were banned in several countries as a health hazard, and that, combined with the arrival of the personal organiser, was the writing on the wall. *Basques* *Basques* were something that John Major wanted to get back to. Whether he ever did was not vouchsafed to us, and if he liked what he saw, and whether they were any different from the Victorian values which Margaret Thatcher wanted to get back to, was similarly not disclosed. Experts now tend to think that basques never existed, rather like the *Feelgood Factor*.

*Mid-term Blues* *Mid-term Blues* was a legendary kind of music born of dissatisfaction among the mass of downtrodden British voters. They found that when they voted the Tory government in, they were landed with it for the foreseeable future, and voiced their heartfelt despair in such songs as "Spin Doctor at My Door".

"Gonna Vote Lib Dem in the Next Local Elections" and "One Lot's as Bad as Another". Mid-term blues seems to have faded in popularity, like world music and karaoke, being replaced by something called Britpop. *Manchester United strip* The management of Manchester United discovered several years ago that you could make a fortune by changing the pattern and colour of your playing strip every few weeks, and forcing admirers to pay out for a new shirt each time. Why football supporters should want to buy football shirts to wear, when they'll only freeze to death during games, is a mystery, but it seemed to work. However, the plan backfired and the players found themselves so confused by the change of playing strip that after a while they failed to recognise which players were the opposition and which on their own side, which explains their recent tendency to let in five or six goals in each game. The next playing strip for Man Utd is going to be in black, showing a gravestone with the names "Newcastle" and "Southampton" engraved on them.

JOHN L. H. 50.



## Will Blair seize the role of great reformer?

The bubbling surface of political argument has been an intense, spume-decked maelstrom in the first few days of the new session. The Tories have had a terrible time, seeming barely in control of their agenda. "Give us answers!" shout the Opposition benches. "Give us clarity!" Yet the highest unanswered questions, a few months before the election, are on the Labour side.

This week's brief eruption in the submerged struggle between Gordon Brown and Robin Cook over Labour's attitude to the single currency reminds us, or should do, that we don't really know where Blair stands on the two great issues which will define his position in late-Nineties politics.

The issues are the single currency itself, and political reform generally. They are not, in that strangely archaic expression, "bread-and-butter" questions. But how Blair plays them if he wins office will define the sort of country we live in around the year 2000.

A fifth consecutive Tory victory would produce clear answers: it is inconceivable that they would vote for the abolition of sterling or embark on root and branch reform of the system that has yielded them such rich rewards.

But Blair could still go either way. He could decide against EMU for the time being. This would remove the Tories' biggest unifying issue in Opposition – it would cancel heroic parliamentary scenes currently being dreamed about by Portillo and Redwood. It would also ensure that Labour didn't need an austerity programme to prepare for membership; instead, the new government could enjoy the fruits of the economic recovery.

Caution on EMU would sit naturally with caution on the constitution. Blair could limit himself to reluctantly implementing a minimalist Scottish assembly and turning the Lords into an appointed super-quango. New Labour would inherit the earth, and not seek to change it very much.

Compare that with the alternative, in which Labour embraces its federal European future and goes quickly for radical reform at home. Membership of the single currency is matched by the passing of powers to English cities and regions as well as to Scotland and Wales. And partly because of the difficulties of getting this through Westminster, Blair unleashes the pro-European centrist consensus so long hidden in British politics, by announcing his conversion to voting reform.

This is not impossible. Serious Tory tacticians are seriously worried about it. If the talks on constitutional reform between Labour's Robin Cook and Bob Maclean of the Liberal Democrats, publicly announced yesterday, are not merely cynical, they suggest that Labour is alive to the possibility of a referendum leading to a different electoral system.

That, in my view, would mean the Lib Dems



Andrew Marr

Labour is at a crossroads on voting reform and the single currency. It's time we knew which direction it will take

moving away from some of their purist positions on FR, whether they are able to or not may yet become the litmus test of their seriousness as a national force. Such a Lib-Lab deal is full of dangers but also of opportunities. By making it rational to back smaller parties, voting reform might split the old Conservative party into rival Christian Democrat and British-Nationalist parties.

If that happened, Blair would find himself presiding as ring-master over a majoritarian alliance of new Labour, Liberal Democrat and even pro-European Conservatives. By conventional calculations, such a parliamentary leader would be almost impossible to dislodge, having achieved the kind of remaking of a previous political order that even the ineffable Bill Clinton can only dream of.

Heady stuff, isn't it? Certainly, these are disconcertingly different oen Labour futures. One is the continuation of the present by other means, the other a radical break.

Choosing between them will affect almost everything in public life. Staying outside the Unio, and avoiding deep reforms would buttress today's mild English conservatism. It would confirm Britain as a country in which crony-politics worked – the small village-oatoo Rupert Murdoch exploits so well, a land of private clubs and handshakes dominated by a few friendly players. Going the other way would release energies, shake up the old hierarchies, change the shape of power. Potentially, it would make Tony Blair a reformer of the historic stature of Gladstone or Lloyd George.

Yes, in the real world, the choice would probably be more muddled and ragged-edged than it seems when briefly sketched out by a journalist. But, given the great forces at work in European politics and the senility of the British political system, Blair couldn't eventually avoid such a choice. The underground battle between Gordon Brown and Robin Cook is part of this argument. Cook is more of a political reformer than Brown; yet he is also more sceptical on the currency question. In all this, Blair seems to be standing back and observing the argument without finally committing himself. His colleagues endlessly discuss what his own deep views might be. They assume that Blair is slightly more hostile to EMU than Brown is, and that he is also more hostile to voting reform than Cook is. But they're guessing.

The Blair-Brown-Cook conversation about all this is intense, and private and has not leaked – which says a lot about New Labour's pre-election self-discipline. Keeping it quiet is very clever politics, since Labour's potential voters are divided between those who hope Blair's a radical and those who are scared stiff that he might be. But as the election draws nearer, the country needs to know more. It is time to start tapping on the glass.

## The alternative to crime and exclusions

by Polly Toynbee



Sarah Taylor, a mother at 13, has brought on the usual moral braying. With a little money in the right places, we could make a difference

Imagine our world turned on its head. You wake up one morning, turn on the *Today* programme, and hear politicians saying bizarre things. They have stopped talking nonsense about a fundamental moral crisis. They have stopped boasting about their own moral, Christian and family credentials. They have got off their soapboxes about children such as Sarah Taylor, a 13-year-old from the Ridings school – one of 60 disruptive pupils threatened with expulsion – who has just given birth to a baby girl.

First you hear the magic words, "What this problem really needs is some money thrown at it." Then you hear the politician say, "It's no use wringing your hands and moaning about the appalling behaviour of demon children, teenage mothers, scrounging fathers and extended criminal families. Let's do something about it that really does work."

A panoply of excellent projects is then laid out before your unbelieving ears, all of which have been evaluated and proven to work.

The Rockbottom Estate has high crime, high unemployment, terrible local schools, vandalised tumble-down buildings, many helpless single mothers, fathers adrift, and high drug use. Crime and drugs from Rockbottom burst out and frighten the life out of the surrounding district. Does Rockbottom need a moral lecture?

It needs practical projects that work. Here are just some sample schemes from a huge array, all of them deeply underfunded, struggling, often closing down despite proven success. *Parenting: National Newpin* is an intensive scheme for mothers who are not coping. At a centre, with mentors offering friendly support 24 hours a day, they explore their own emotional problems – usually severe, having themselves been "mothered". They develop their relationships with their babies and children and learn how to play with them. Most of the programmes are now run by mothers who have themselves been through Newpin. Children from Newpin do better in every way when they get to nursery and primary school. It costs £3,000 per family – money rapidly saved on future expensive problems. Newpin is currently closing, not opening, centres, for lack of money.

Nurseries greatly improve children's chances. Results of the seven and 11-year-old tests are already showing

the nursery children doing best. But intensive therapeutic programmes for deprived children have astounding results. High Scope has been imported from America, where children followed over 30 years had a 30 per cent lower crime rate when they grew up, with half as many on welfare. Seven dollars was saved on crime and benefits for every dollar spent. The Home Office no longer funds British High Scope, which struggles for funds. It should be in every deprived area. Out-of-school schemes: Every child should have a place in an after-school club, with special

teachers, to learn, as well as play. A summer university in London's Tower Hamlets, using college premises, shows what can be done. 1,700 children joined during the holidays, gaining all kinds of certificates. Crime in the area plummeted. The virtually extinct Youth Service can offer similar results, given a chance.

One of the most successful headteachers in a tough district never excludes pupils, because she says their behaviour has improved sharply since they joined a brilliant local play scheme emphasising drama. The Millennium Trust turned

down a bid to create 1,000 such schemes at a cost of £200m. Care: 51,000 children in care grow up to cause a great deal of crime – 26 per cent of prisoners come from care. Hardly surprising, since three-quarters leave care with no qualifications at all (nationally, only 9 per cent do as badly). One in seven girls leaving care is pregnant or already has a baby. These most vulnerable children who will do most harm get virtually no therapy or treatment and no education. Yet each child in care costs £34,000 a year, or £100,000 in a secure unit. Helping families and catching problems early

would save money. Once these children are in care, investing in their treatment would yield rich dividends.

Pregnancy: While bad boys do crime, bad girls do themselves in by getting pregnant. Research shows that areas with many well-publicised birth-control clinics for the young have lower pregnancy rates, which is why teenage pregnancy has been falling recently. Exeter University recently showed how an intensive 30-hour course in sex education for 12- to 16-year-olds hugely diminished the number having under-age sex, compared with an identical neighbouring school. It cost £45 per pupil, peanuts compared with the cost of abortion, let alone birth.

Housing estates: the Priority Estates scheme and others show what works – permanent professional workers helping residents' associations to thrive with money they control for repairs. These estates need teams of caretakers on call, police foot patrols, high-quality youth clubs, adult education and training.

Crime: For offenders, the right schemes can halve the numbers who re-offend, both in the community and in prison. This means therapy in highly focused groups. But it works. So does education and literacy. A recent Chief Inspector of Prisons report showed how high use of good therapy in Litchmere prison cut in half the number who re-offended, compared with similar prisoners elsewhere.

So imagine a new world order in which social workers were highly trained and highly valued. Teachers were well-paid and praised. We would be proud of all they could do, give them resources to do it and glow with a sense of our public morality as a society.

When pin-striped prats, wet behind the ears, brayed abuse in Parliament at teachers and social workers, the people entrusted to do good on our behalf, they would be blooded off the beaches.

"But, surely," asks an astounded James Naughtie, "all this will mean raising taxes to pay for it?" "Yes, indeed," says the politician. "But we will explain to the voters that if they are really panicking about the disintegration of life at the bottom, if they live in terror of crime, we can do something for sums of money that are not colossal. We are not going to give handouts to the poor, because that does little good. But we will use taxpayers' money wisely and show how well social investment pays."

Dream on.

## Why Cook is wrong

Christopher Haskins on reaping the benefits of monetary union

The debate about the Single European Currency must concentrate on two distinct possibilities: the impact of Britain joining at the outset but, equally important, the consequences of Britain remaining outside after EMU comes into existence. In my view, the positive benefits of joining EMU are not sufficiently recognised and, more critically, the harmful effects of remaining outside are seriously underestimated.

The case for joining EMU must be based on strong economic criteria. Britain must join EMU only if it has been well structured and has the confidence of the financial markets. It is inconceivable that the project will get off the ground without such confidence.

In these circumstances our increasingly volatile currency and our tendency to resort to devaluation and inflation, which has meant that our interest rates, even today, are one and a half points ahead of Germany, would immediately be stabilised. This would bring savings for mortgage holders, private sector companies and borrowers of all kinds. Taxpayers would also benefit because they would be paying less to service government debt – amounting to some £10 per household per week.

Next, companies would no longer be required within EMU to pay commission to change currencies, and we would no longer need to operate in derivative markets to hedge against future currency changes.

If EMU becomes a reality and Britain decides to remain outside, the negative effects would probably exceed the benefits of membership which I have just outlined.

It is understandable that people such as Robin Cook are anxious about some aspects of membership of EMU, but when he argues that by remaining outside we can retain our

right to devalue and thereby remain competitive he is surely mistaken. The markets would conclude that, if this is the reason for remaining outside, they would have no confidence whatsoever in the stability of sterling from the outset. The government of the day might therefore be forced into an immediate devaluation, which would create inflationary pressures and probably trigger a negative reaction from those European countries that had joined EMU. If the government chose to protect the currency, it would have to raise interest rates sharply, thereby hitting private and corporate borrowers and increasing taxpayer liabilities.

EMU would bring savings for mortgage holders, companies and borrowers of all kinds

The only sensible course for a British government is to continue to apply a macroeconomic policy which ensures low inflation and sound public finances. This means effectively following the criteria laid down at Maastricht as a precondition for EMU. We would thus end up in the absurd position of complying with the criteria of EMU, without enjoying the advantages of membership, including the ability to influence monetary policy within EMU. The establishment of a Central European Bank, an essential part of EMU, inevitably implies a reduction of our sovereign influence over monetary policy, though this sovereign power has in reality been already massively reduced over the past 50 years. However, by remaining out-

side EMU, but still a member of the European Union, we would abandon virtually all influence over our monetary policy.

Few would argue that Britain has attracted significant inward investment from Asian and North American companies solely through its membership of the European Union. Our financial institutions, our language and many other factors appeal to would-be investors.

But what would happen if Britain were not a member of EMU, thereby creating financial uncertainty and serious doubts about our long-term commitment to Europe? Surely foreign companies would then much prefer to invest in countries that are members of EMU rather than one which is outside. Thousands of British jobs would be lost as a result.

Finally, for those who take the line that EMU is a good idea for Britain, but not yet, I would suggest that it would be much more difficult to join later rather than sooner. If, by remaining outside, Britain loses competitiveness compared with those who are members of EMU, then it will be even harder for us to join the party at some later stage.

The achievement of EMU will not be easy for any country – that is widely recognised – but the historic momentum of the European movement will probably mean that a single currency will become a reality during the course of the next British parliament. It will take great political courage for a new government to decide to go ahead with its main European partners in this venture from the outset – but doing so would still be the right decision. To take the more timid option of delaying would be to store up much greater economic and political problems at a later date.

The writer is chairman of Northern Foods.

## Your rights as a print consumer

The closer we get to a general election, the further away both government and opposition parties move from any suggestion that the press should be subject to statutory regulation. Whether their overriding concern is press freedom or electoral advantage, the undoubted power of the press is the real issue. The continued excesses of the tabloids during almost every major tragedy, and indications that the reformed Press Complaints Commission has yet to win the confidence of the public, are reminders that all is not well in the relationship between the Fourth Estate and those who purchase its wares.

Falling circulation may worry the marketing and advertising departments of the national press, but millions of people buy newspapers. The familiar argument of editors and proprietors that no one is forced to buy their paper, and that anyone unhappy with the product can always purchase another one, must be set against the strenuous efforts made by their own marketing departments to persuade us to switch to their product. From where they sit, newspaper publishers regard their readers first and foremost as consumers.

Perhaps, therefore, the time has come to look at the recurrent problem of dissatisfaction with the behaviour of the press from a conventional consumer viewpoint. Consumer charters are based upon the reasonable expectations of the purchaser and the reasonable guarantees of the producer. They define the contract between manufacturers and those who purchase their products. So why not a Readers' Charter?

How would readers define their reasonable expectations of newspapers? Almost certainly accuracy would top their list of demands, closely followed by the publication of prompt and prominent corrections or apologies when inaccurate information has been published. They might

also like to know when "exclusives" have been paid for. They might even request a right of reply for those who are vilified by the press.

In the past 15 years, five attempts to gain the statutory right of reply have been scuppered by the press. But why? The French, Austrians, Norwegians, Spaniards, Swedes and Dutch all have such a right.

A serious consultation exercise is required to discover what kind of charter readers want. Few political parties would risk becoming involved, but the challenge has been taken up by a small, underfunded organisation called PressWise, founded by former "victims of press abuse" and backed by concerned journalists and lawyers. Our hope is that the broader consumer movement will take up the challenge. We are unlikely to get much help from the press.

In a last-ditch effort to avoid statutory regulation, editors and proprietors devised a code of practice. The industry also funds the Press Complaints Commission it set up to adjudicate on complaints. It is a style of self-regulation to which the press rightly objects when it is conducted by the police, parliamentarians or any other guardians of the public good.

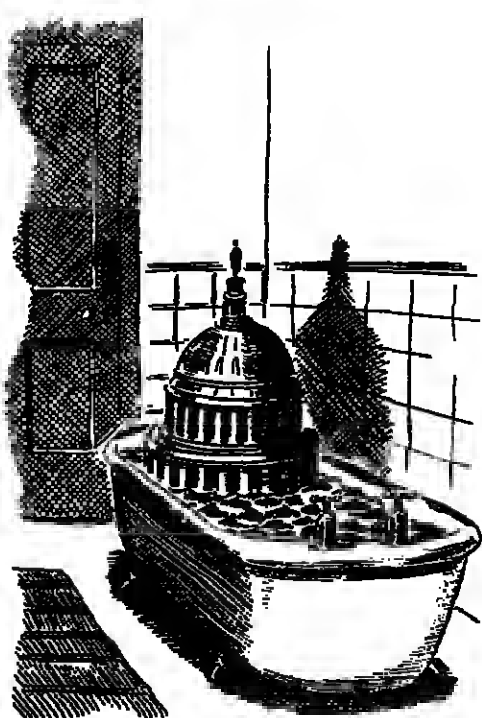
PressWise believes that a Journalists' Charter is also needed. Together, such charters would define the relationship of trust that should exist between journalists and their readers. That should make for a better product and increased sales. It would also strengthen the democratic principles that underpin the notion of a free press without having recourse to statutory regulation.

If we swallow our pride and think of ourselves as consumers of newsprint, perhaps we can turn the tyranny of the marketplace to everyone's advantage.

The writer is executive director of PressWise. Tel 0117 941 5889

Mike Jempson

What's the connection between Bath and Washington?



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Business news desk: tel 0171-293 2636 fax 0171-293 2098  
BUSINESS & CITY EDITOR: JEREMY WARNER

**Nic Cicutti**

The figures were deemed so sensitive that those present were asked to hand back their

Ms Bowe has warned the Treasury that unless progress is reached on dealing with the problems, including a change in

The pensions review was set in motion in the wake of a report in November 1994 by the Securities and Investments Board, the top City regulator. The SIB report argued that some 1.5 million people may have been mis-sold a personal pension or wrongly advised to leave a company scheme.

In March 1995, the PIA, which took charge of the pension review, said it wanted urgent cases dealt with by Christmas. But it has been embroiled in a series of battles with companies and financial advisers.

**Legal & General**, another leading UK insurer – whose chief executive at the time was Joe Palmer, the PLA's current chairman – has 24 500 priority

A Prudential spokesman said: "The redress we have so far offered does considerably

NAME	Number of CASES	Priority	Assessments Completed
Prudential	414389	101	
Co-Operative Insurance Services Ltd	505351	1304	
Peer Assurance Pco	505400	1379	
Leont & Edward Assurance Society Ltd	505405	523	
Inter-Can Ltd	505409	17	
Inter-Pac Assurance Ltd	10222	3	
Sun Life Assurance Company of Canada	505493	109	
High-Robinson Insurance Services Ltd	505500	1010	
Canadian Life Reversion Company Ltd	715150	198	
Albany Life Assurance Company Ltd	11255	8	
John Hancock Insurance Pco	11767	1454	
Assurance-Hydro-Québec SGRS Pco	70770	10	
Scotiabank Mutual Life	9102	10	
Equitable Life Assurance Society	9361	1854	
Equity Insurance Ltd	9364		
Royal Dominion Mutual Insurance Society Ltd	9365	355	
Imperial Life Assurance Co	9404	135	
Canadian Finance Insurance Management Ltd	7053	227	
SAW Life & Pharmacy Pco	9555	26	
MetLife Life Insurance Company Ltd	9556	26	
United-Fidelity Life Assurance Ltd	9559	24	
Colonial Mutual Life Assurance Ltd	9562	54	
Overland & Metropolitan Assurance Company Ltd	9565	26	
Metropolitan Life Assurance Society	9566	43	
Indus Insurance Pco	5114	62	
Lloyds Bank Pco (not Inc. (Bank Name Fin. Cos.)	9520	59	
Total No. of Cases	337115	9195	

A PIA spokesman refused to comment on the document.

**Michael Harrison**

The sale of Mr Bock's stake to Anglo-American gives the South African mining and in-

The German financier acquired his stake in December, 1992 for about £135m. The sale to Anglo at 180p a share means he is showing a profit of

**Investment flow:** The regular

or claims water companies are

**...the failing to meet quality targets**

Photograph: Glyn Griffiths

## Nic Cicutti

a number of people and considering quite a number of options over the past few months," Mr. Robinson said. "The appointment is substantially to ad-

of his home in Kent. His family was also said to have gained the unauthorised use of a company Range Rover. Mr Robinson denied the allegations.

## Investment flow: The regulator claims water companies are failing to meet quality targets Photograph: Glyn Griffiths

**Chris Godsmark**  
Business Correspondent

"If, in due course, quality and service objectives are not met,

The news was greeted enthusiastically by the markets, with several teams of City analysts revising their profit forecasts upwards. The shares climbed 7.5p to 552.5p.

As Ian Byatt, the water regulator, castigated the industry for failing to meet investment

Profits excluding exceptional items in the six months to the end of September rose from £163.9m to £188.2m. Earnings were boosted by a reduction in losses from Thames' troubled diversification.

Thames Water defended its investment record, arguing that through efficiency gains it had managed to achieve the same improvements in standards required by the regulator with less investment in cash terms.

**Comment, page 19**

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**Comment, page 19**

On Monday 4th November, The Independent publishes an 8 page mid-term report on the American Football season in association with the NFL

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### STOCK MARKETS

#### FTSE 100\*

4100  
4000  
3900  
3800  
3700  
3600

1987 1988 1989 1990 1991 1992 1993

#### Dow Jones\*

8150  
8250  
8350  
8450  
8550  
8650

1987 1988 1989 1990 1991 1992 1993

#### Nikkei

22000  
23000  
24000  
25000  
26000  
27000

1987 1988 1989 1990 1991 1992 1993

\*Five Year Graph of LSE Index FTSE 100 World Index

Indices						
Index	Close	Buy's Change	Change(%)	1995 High	1996 Low	Yield(%)
FTSE 100	3025.30	+2.90	+0.1	4073.10	3632.30	3.89
FTSE 250	3443.10	+11.60	+0.3	4568.80	4015.30	3.52
FTSE 350	3002.80	+2.20	+0.1	2722.10	2616.60	3.61
FTSE SmallCap		n/a		2244.26	1954.06	3.12
FTSE All-Share				1994.54	1791.35	3.76
New York*	5917.73	34.29	+0.6	5964.23	5032.94	2.12
Tokyo	20885.41	+45.44	+0.7	22656.90	19734.70	0.771
Hong Kong	12302.77	-117	-0.9	12510.05	10204.87	3.321
Frankfurt	2703.63	+29.61	+1.1	2734.62	2233.36	1.741

*Statistics as of 29 October*

## INTEREST RATES

### Short sterling\*

\* 100 days bank contract

### UK medium gilt

### US long bond

### Money Market Rates

Index	1 Month	1 Year
UK	5.81	6.44
US	5.43	5.81
Japan	0.41	0.33
Germany	3.09	3.25

\*Benchmark indices

### Bond Yields \*

	10 Year Bond (%)	Year Ago	Long Bond	10 Year Ago
UK	7.35	8.01	7.67	8.13
US	6.52	6.04	6.83	6.36
Japan	2.81	2.83	-	-
Germany	6.03	6.47	6.85	-

## MAIN PRICE CHANGES

Prices	Price (p)	Change (p)	Change (%)	Falls	Price (p)	Change (p)	% Change
North American	648	128	24.6	M Laboratoriles	266.5	12.5	4.5
Celtic Group	465	20	4.5	Eurometal PISA	90.5	3	3.2
Vickers	300	11.5	4.0	Scot Intelecom	73.25	21	2.8

### CURRENCIES

**£/\$**

**£/DM**

**£/¥**

**Pound**

	Yesterday	Change	Year Ago
£ (London)	1.6121	+0.00c	1.5771
£ (NY York)	1.6126	+0.00c	1.5785
DM (London)	2.4908	+0.72c	2.2182
¥ (London)	164.374	+¥2.359	160.173
2-Index	89.9	+0.4	83.8

**Dollar**

	Yesterday	Change	Year Ago
£ (London)	0.6203	-0.21	0.6335
£ (NY York)	0.6201	-0.32c	0.631
DM (London)	1.8208	-0.31c	1.4053
¥ (London)	114.245	+¥0.86	101.685
2-Index	87.6	+0.1	0.6

**OTHER INDICATORS**

	Yesterday	Day's High	Year Ago	Index	Latest Tr. Avg	Next Day
DM Export \$	24.15	-0.4	18.26	RP1	153.9	+2.12p/150.6
Gold \$	383.15	+0.45	382.10	GDP	108.9	+2.12p/106.7
Gold £	237.67	-0.90	242.29	Base Rates	-5.75pc	1.65 %

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**GATION**





# The Pru is too slow in settling pension claims

Remember those claims by Mick Newmarch, the former chief executive of the Pru, that his company had a negligible number of pensions mis-selling cases? The leaked Personal Investment Authority statistics we publish today demonstrate unequivocally that the Pru has more suspected cases of mis-selling than anybody else.

The Pru is the biggest company in the life insurance industry, so it is perhaps not too surprising that it is at the top of the table. But what really leaps out from the figures is that of 41,439 priority cases which the Pru must assess to see whether compensation is due, the job has been completed for only 10. Proportionately, the Pru is not the worst offender, an honour that seems to go to Hogg Robinson, which has processed just one case. Nonetheless, for a company that prides itself on its good name and reputation, this is a quite disgraceful and shocking state of affairs. Having denied the problem in the first place, it is now being unacceptably slow in dealing with the problem.

The bigger scandal revealed by the statistics is the abysmal record of the industry as a whole. The documents list a wide variety of reasons for this shambles, including the reluctance of occupational pension schemes to disclose the information on which compensation claims are assessed. There is even a new regulatory jargon to describe the difficulties, such as the "response rates roadblock", which refers to the fact that too many of the affected cus-

tomers are failing to respond to questions from their insurers.

The PIA is plainly worried of being humiliated with the blame. It has warned the Treasury and the Securities and Investments Board that urgent action needs to be taken to remove the roadblocks and "avoid discrediting the regulatory system."

Certainly there is a regulatory problem, here which stems from the fact that the PIA is still in large measure a self-regulatory organisation. It remains too close to the companies it monitors. Of the PIA's 21 board members, 10 are from the insurance industry. Joe Palmer, the PIA chairman, was actually chief executive of Legal & General when the company sold the 24,506 L&G pensions we list as due for priority assessment.

The PIA's poor record in squeezing compensation out of the insurers makes the strongest possible case for a regulator completely independent of its industry. Colette Browne, the PIA chief executive, wants to adopt a "naming and shaming" strategy, by publishing the statistics. We do not yet know whether her board agreed the proposal, but today we have done our bit to help.

Jan Byatt seems rather to have shot himself in the foot with his report yesterday on the financial performance of the water companies - it reads a bit like an exercise in self-flagellation. The water regulator is to be congratulated for publishing such a full

and frank analysis of what has been going on in his industry since privatisation. The unfortunate thing about it, from his perspective, is that it leaves his own economic regulation of the industry looking somewhat wanting. In a sense, what he has done is to expose the regulatory system's own failings by demonstrating in page after page of detailed analysis and statistics that the water companies have been getting away with day light robbery.

Take the issue of dividends. Since 1991/2, dividends have risen 75 per cent in real terms across the industry. This is hugely in excess of even the most optimistic predictions at the time of privatisation. Worse, dividends have continued to rise at a quite staggering rate even since Mr Byatt's 1994 price review, an exercise which was meant to realise on behalf of customers all the efficiency gains achieved in the previous five years. In the year to March this year, dividends rose by 22 per cent in real terms. This despite the fact that in setting the new price limits in July 1994, Mr Byatt assumed only modest growth in dividends in line with his 5 to 7 per cent return on capital assumptions. Plainly Mr Byatt could have been a bit tougher.

The water companies' ability to sustain this rate of dividend growth is in part explained by the fact that they have not been investing as heavily in the water and sewage infrastructure as it was thought they would need to when the pricing formulae were

established. In turn, this is partly because they have been more efficient in achieving required standards than anticipated. Nothing wrong with that, though you have to wonder whether the expenditure planned was ever anything other than a huge, self-interested overestimate. However, here again there is worse. The report accuses some companies of plain and simple under-investment. In other cases the phasing of capital investment has been changed in a way that allows companies to achieve savings not originally foreseen in the strategic business plans submitted to the regulator.

So great has the industry's embarrassment of riches become that in some cases companies are voluntarily giving rebates to customers or foregoing price increases allowed by the regulator. What all this tells you is that the next time the regulator reviews prices, whether it be Mr Byatt or a successor who attempts the exercise, water companies can look forward to a Sportswood type assault. Water shareholders should drink long and hard while they still can, for the party must surely be drawing to a close.

So farewell then Mr Bock. Or is it au revoir? Having ousted Tiny Rowland from Lornho and destroyed all vestiges of his power, Mr Bock is now selling out to Anglo American in the expectation that once Lornho's planned demerger is complete, he will be able to buy back into the trading side,

leaving Anglo in control of the core mining activities.

No doubt these arrangements suit Mr Bock very well but we are going to have to wait quite a while to see if they are also quite such good news for Lornho's other long suffering shareholders.

There are obvious dangers for them here. The first is that once Anglo American is fully in the chair at Lornho, it will run the company as if it is wholly part of the Anglo American empire. This may not be an altogether bad thing, for outside shareholders will at least be getting the benefit of a company with established expertise in mining, a company which presumably knows what it is doing.

The downside is that Lornho becomes run in Anglo American's wider interests, which are not necessarily the same as those of its outside shareholders. On the other side of the business, shareholders need to be wary of the terms on which Mr Bock buys back in. This will presumably be accomplished by Anglo American selling Mr Bock back his interest in the unwanted half. Given the complementary needs of both Mr Bock and Anglo, there is a very real risk here that other shareholders are going to get disadvantaged.

During his brief tenure at Lornho, Mr Bock has on the whole served his shareholders well. Let's hope he continues to do so through this quite complex series of transactions.

join line

## Zeneca sees shares dip despite surge in sales

Magnus Grimond

Zeneca, the drugs group, saw its shares slide yesterday despite announcing a 14 per cent surge in sales to £4.1bn for the first nine months of the year. The whole pharmaceuticals sector was hit by fears that the Democrats will emerge victorious from next week's US election and revive President Clinton's healthcare reforms, putting price caps on drugs.

Zeneca fell 38.5p to £17.11, Glaxo Wellcome sank 15.5p to 970.5p and SmithKline Beecham was off 19.5p at 763.5p. But investors' sentiment over Zeneca, the former pharmaceuticals arm of chemicals giant ICI, was further damaged by disappointment in some quarters over the deceleration in sales growth since the half year figures to June.

In pharmaceuticals, which represents 44 per cent of the business, turnover of £1.8bn reflected a 14 per cent advance over the same period of 1995, a 1 percentage point deceleration from the 15 per cent growth recorded in the first half.

One analyst highlighted special factors which rendered the comparisons unfavourable. Sales of Zestril, Zeneca's biggest-selling drug, used in the treatment of high blood pressure and heart failure, had been running ahead of expectations in the first six months as suppliers re-stocked.

The third quarter had seen

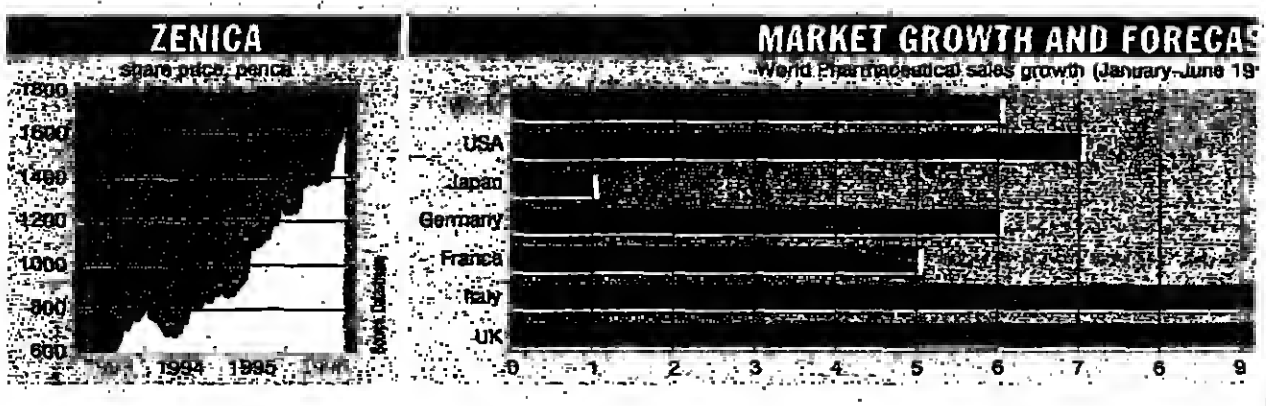
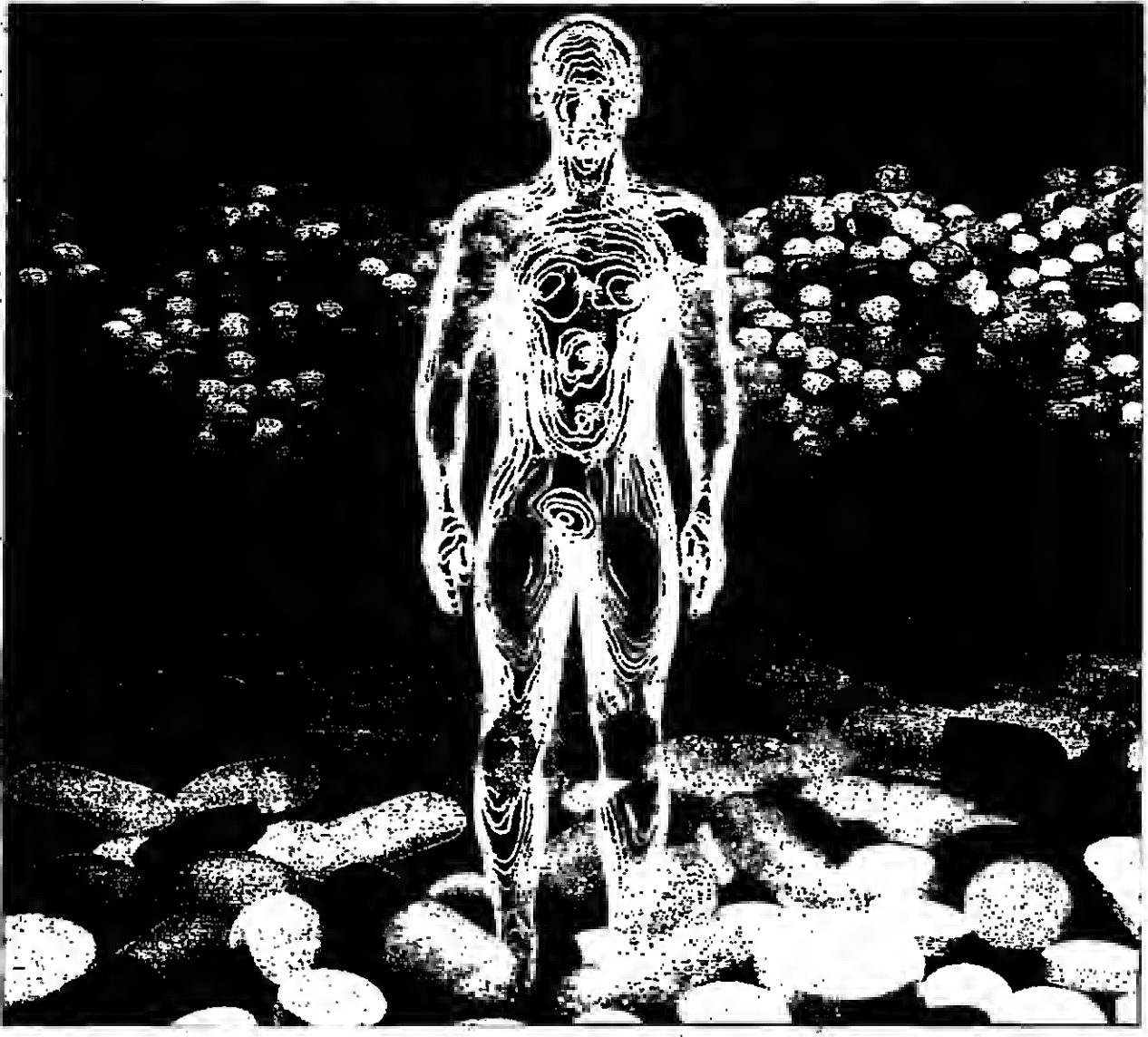
some de-stocking, he estimated. Another factor was that the unusually protracted growing season in the US last year had not been repeated. The boost to sales of Zeneca's agrochemicals in 1995 had not therefore been evident in this year's third quarter. The analyst estimated sales growth in this sector of close to 20 per cent last time had crashed to nearer 4 per cent in the July to September quarter of 1996.

The group reported agrochemical sales up 14 per cent to £1.39bn in the nine months, or 11 per cent in local currency terms. Seeds, now part of a joint venture with Royal Van derhave of Holland, saw turnover jump 21 per cent to £1.17bn, an 18 per cent rise in local currencies.

Zeneca said the sales performance for the whole of 1996 was likely to be broadly in line with that of the first three quarters. However, the group gave warning that pricing pressures had continued in Japan and some European markets. Analysts said the Japanese government, which traditionally cuts the publicly funded drugs bill every second year, had attempted to pre-empt the normal attempts by the industry to recover the cuts by bringing forward the announcement of next year's 3.5 per cent reduction.

Meanwhile, governments in Europe had also been bearing down on the rates at which they reimbursed drug companies.

Investment Column, page 21



## British Biotech price skids on £47m Grenfell sale

Magnus Grimond

British Biotech shares slid 8 pence yesterday after two of the Deutsche Morgan Grenfell unit trusts formerly managed by disgraced former fund manager Peter Young sold a £47m stake in the biotechnology group.

The shares, strong recently on hopes that forthcoming research data will bring positive news for the group's Marimastat anti-cancer drug, slumped

20p to 220.5p, having been 23p down at one stage, as news of the sale leaked out.

The two unit trusts, the European Growth Fund and the European Capital Growth Fund, sold 22.1 million shares at 213p yesterday via a placing conducted by Morgan Stanley. The brokers refused to reveal the identity of the buyers.

The DMG holding in British Biotech, revealed as 11.3 per cent last month, followed large

purchases by Mr Young. Subsequently reduced to 10.9 per cent, the stakes held in the three unit trusts represented one of their more liquid investments. But although Deutsche Bank, Morgan Grenfell's parent, was forced to pump £180m into the funds to buy shares in obscure continental companies acquired by Mr Young, the fund management group denied yesterday's sale had any connection with the former manager's activities.

James Murray, director of corporate affairs, said Stuart Mitchell, Mr Young's replacement, had been in place for a month.

"This was simply the fund manager exercising his right to realign his portfolio. The proceeds of the sale would be reinvested in due course and none of it would be used to reimburse Deutsche Bank."

The group still held British Biotech shares in a number of

funds, including the two selling today. The disposal "does not reflect a change in our view of Biotech's prospects. Clearly if it did, we would be selling more and not just from these two funds". No more share sales were in prospect from the unit trusts, he added.

British Biotech, meanwhile, put a brave face on yesterday's move. James Noble, the group's finance director, said he was unconcerned about the sale, which

had been widely anticipated. "It was inevitable they were going to sell a chunk of their shares and they did it all in 10 minutes. I think, this morning, which is a pretty satisfactory outcome."

The remaining 8 per cent or so held by Morgan Grenfell was "as safe as any other shareholding". Analysts expect further volatility in the share price in the run-up to and immediately following a forthcoming cancer conference in Vienna.

## Flextech ties up pay-TV deal

Matthew Horsman  
Media Editor

Pearson, the media conglomerate, and Cox Communications, the US cable company, have reached a preliminary agreement to sell their 15 per cent stakes in UK Gold and UK Living, two pay-television channels, to Flextech, the cable and satellite broadcaster controlled by US cable giant TCI. The stakes are worth £30m each.

In exchange for its shares, Pearson will get voting stock in Flextech representing equity of about 4.6 per cent of the company, although this could change depending on Flextech's share price when the deal is finalised.

It is still unclear how many votes will be attached to the vot-

ing stake. TCI is known to be seeking to avoid diluting its current holding, which gives it 51 per cent of the votes. Cox Communications is believed to have secured a similar deal.

The preliminary agreement opens the way for Flextech to complete its recently announced joint venture with the BBC to launch as many as eight pay-television channels on satellite and cable from next summer. A final agreement could be reached as early as November. It also gives Pearson a stake in a company many analysts expect will emerge as a "second force" in the supply of programming in the £1bn market for pay-television.

Negotiations between Flextech and Pearson on the new pay-television channels were complicated by the need to

conclude a complicated set of talks involving the BBC, Pearson and Cox Communications, which were aimed at consolidating Flextech's holdings in the two channels.

Once the UK Gold and Living consolidation is formally in place, BBC/Flextech can broadcast programmes from the extensive library of the BBC, the rights to which are currently held by UK Gold, the "golden oldie" nostalgia channel.

According to sources close to the talks, Pearson has won new service contracts from Flextech in exchange for its agreement to sell the UK Gold/Living stakes. Pearson Television handles the transmission services for UK Living, as part of its £90m a year transmission business.

Under the provisionally

agreed deal with Flextech, Pearson will now provide similar services for UK Gold, Bravo and Discovery, which is worth about £2m annually.

As part of the deal, Pearson, which owns Thames Television and Grundy Worldwide, has also agreed to move some of its production activities to Flextech's studio in Maidstone.

Flextech and the BBC hope to complete their programming deal by the end of the year. The two briefed cable industry executives and media analysts Monday night on their plans for the new channels, in a presentation one analyst said was "slick and impressive". Flextech shares rose 21p to 611p.

The eight channels will include arts, sport, documentaries, current affairs and even a repeats channel.

## Lotus sells stake to Malaysian millionaire

Michael Harrison

Lotus, the Norfolk-based sports car and engineering group, will today announce that it is selling a stake in the business to the Malaysian millionaire who controls the Proton car company.

Romano Artioli, the Italian entrepreneur who bought Lotus from General Motors in 1993, has convened a meeting close to Lotus's Hethel headquarters near Norwich to unveil details of the "new partnership" the company is about to enter.

Proton is controlled by Yahya Ahmad, one of Malaysia's richest men and a friend of the Prime Minister Mahathir Mohammed. Reports last week suggested that it could pay up to £50m in ex-

change for an 80 per cent stake in Lotus. The Malaysian group would also inherit some of Lotus's debt.

The future of the sports car company has been in the melting pot virtually since Mr Artioli took control. His three years at the helm have been punctuated by a succession of management huff-ups and a constant stream of hid rumours.

Until a month ago it looked as though the South Korean conglomerate Daewoo would emerge as Lotus's partner but Mr Artioli and Daewoo are not thought to have been able to agree a price. A deal with Lotus would enable Proton to reduce its dependence on its Japanese partner Mitsubishi.

What's the connection between Fairbanks and Hollywood?

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## market report / shares

## DATA BANK

FTSE 100  
3993.5 - 31.8

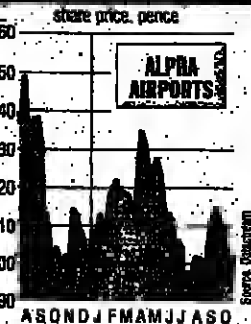
FTSE 250  
4434.7 - 8.4

FTSE 350  
1989.5 - 13.3

SEAO VOLUME  
696.4m shares,  
39,040 bargains

Gifts Index  
N/A

## SHARE SPOTLIGHT



## Disappointing Zeneca puts the wind up investors

The stock market suffered a minor attack of the jitters. Hurricanes - even gales - in October bring back uncomfortable memories of nine years ago when shares suffered their worst setback.

Pile on such unpredictables as the US non-farm jobs figures, due on Friday, and the direction of interest rates and there was precious little comfort for the optimists.

Zeneca, the drugs group which has so often inspired the market, was also responsible for the nervousness. Its trading statement was a shade disappointing and so the prevailing atmosphere such a highly rated share was bound to suffer. The weakness spread to other drug shares.

The anniversary of the 1987 crash has tended to haunt shares after they hit a peak last week. Since then the Footsie has fallen almost 80 points with a 31.8 decline to 3,993.5 yesterday.

The US payroll figures have already caused dramatic gyrations this year as, on a number of occasions, they have come in far removed from the general round of forecasts. The monthly Keo and Eddie interest rate meetings often create nervousness. Today's get-together is expected to leave rates unchanged.

Zeneca fell 38.5p to 1,711.5p in brisk trading. SmithKline Beecham gave up 19.5p to 763.5p and Glaxo Wellcome 15.5p to 970.5p.

British Biotech, strong lately on Greg Middleton support, tumbled 20p to 220.5p as Deutsche Morgan Grenfell placed 21 million shares through Morgan Stanley at 215p. The stock came from two of the three funds run by disgraced fund manager Peter Young. DMG still has more than 50 million shares.

The seemingly remorseless progress of the Clinton elec-



## MARKET REPORT

DEREK PAIN

tion campaign is creating anxiety for the drugs industry. There is a worry he will, when elected, indulge in some of his pet medical projects which were abandoned when his presidency hit the rocks. Any re-introduction of some of his health programmes could hit drug companies.

Communications and utilities endeavoured to throw some light on the day's action. The media free-for-all starts on Friday. Although many investors have already taken up their positions there was evidence of late manoeuvring. A Caritoo Communications strike at HTV, despite the appearance of United News &

Media with a 19.9 per cent stake, is widely expected. HTV rose 2p to 371.5p and Utster and Yorkshire-Tyne Tees were a shade firmer. Granada, with a substantial Yorkshire stake and the favourite to pounce, added 2.5p to 880p. Pearson, where Carlton replaced BSkyB as the rumoured predator, jumped 18.5p to 756.5p.

Utilities still dwelt on the US bid for Northern Electric, down 8.5p to 639.5p despite more determined buying by bidder CalEnergy. East Midlands Electricity, which had been the market's favourite target, held at 608.5p. There is still a strong swell of opinion that it will soon be on the receiving

end of a US strike. Waters rose with satisfaction over Thames figures mingling with hopes of overseas bidders. Thames gained 7.5p to 552.5p.

Vodafone put on 3p to 233.5p with A&N Amco Hoare Govett moving onto the buy track. Societe Generale Strauss Turnbull is also bullish.

Alpha Airports moved 5.5p higher to 102p as stories of takeover action wafted around. BAA, the airports group down 8.5p to 515p, was the rumoured bidder.

Granada's 25 per cent interest, inherited from Fortis, is for sale and a host of aviation and catering groups have been circling the airport catering, duty free and baggage business. Alpha came to market 30 months ago at 140p a share.

An analysts' meeting lifted Imperial Chemical Industries 3.5p to 803.5p and Dalgety, showing analysts its European petfood operations, drifted 8p

lower to 313.5p following news of the retirement of finance director John Martin.

Loarho gained 4.5p to 163.5p on Dieter Bock's sale of his 18.3 per cent interest to Anglo-american. Allied Domecq gained 5.5p to 479p with Kleinwort Benson advising a switch out of Grand Metropolitan, down 5.5p to 470p.

Turday & Carlisle, the marine components group, fell 3p to 40.5p as Dowling & Mills sold its 8.7 per cent stake, acquired during its failed £13.6m bid five years ago.

Shield, a property group, jumped as deal maker Luke Johnson jumped on board. A restructuring involves a £494,000 cash subscription by investors led by Mr Johnson. The owners will have 51 per cent of the capital. The company is to be renamed Lonsdale and seek acquisitions, which are likely to need "external funding".

## TAKING STOCK

Storehouse is bumping along near its year's low. The shares fell 6p to 281p in often brisk trading. Murmurs can be heard around the market that an unfavourable circular is about to appear. But it is said to have been delayed because, it is rumoured, the company has taken exception to some of the comments.

Shoprite, forced into a distressed sale of its once high-flying supermarket chain two years ago, is enjoying one of its periodic runs. The company now has property and retail interest in the Isle of Man.

Its shares have edged ahead and yesterday gained a further 1p to 19p. They had a spectacular burst in the summer, hitting 21.5p. The market believes there will eventually be a revamping deal with assets injected into the company.

## Alcoholic Beverages

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%
Tennent	100.00	+0.50	+0.5%
Watson	100.00	+0.50	+0.5%

## Banks, Merchant

Share	Price	Change	%
Barclays	100.00	+0.50	+0.5%
Bank of Scotland	100.00	+0.50	+0.5%
First Direct	100.00	+0.50	+0.5%
Halifax	100.00	+0.50	+0.5%
London City	100.00	+0.50	+0.5%
Monie	100.00	+0.50	+0.5%
Natwest	100.00	+0.50	+0.5%
Paragon	100.00	+0.50	+0.5%
Prudential	100.00	+0.50	+0.5%
TSB	100.00	+0.50	+0.5%

## Banks, Retail

Share	Price	Change	%
ABN-Amro	100.00	+0.50	+0.5%
ABN-NL	100.00	+0.50	+0.5%
ABN-RD	100.00	+0.50	+0.5%
ABN-SL	100.00	+0.50	+0.5%
ABN-TL	100.00	+0.50	+0.5%
ABN-UL	100.00	+0.50	+0.5%
ABN-VL	100.00	+0.50	+0.5%
ABN-WL	100.00	+0.50	+0.5%
ABN-XL	100.00	+0.50	+0.5%
ABN-YL	100.00	+0.50	+0.5%

## Diversified Industrials

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Breweries, Pubs &amp; Rest

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Electricity

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Building/Construction

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Electronics

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Building Materials

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Engineering

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Chemicals

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Distributors

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Engineering Vehicles

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Extractive Industries

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Food Manufacturers

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Health Care

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Household Goods

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Insurance

Share	Price	Change	%
Adnoca	100.00	+0.50	+0.5%
Beck's	100.00	+0.50	+0.5%
Carlsberg	100.00	+0.50	+0.5%
Heineken	100.00	+0.50	+0.5%
Interbrew	100.00	+0.50	+0.5%
Kaiser	100.00	+0.50	+0.5%
Miller	100.00	+0.50	+0.5%
Orkla	100.00	+0.50	+0.5%
Reckitt	100.00	+0.50	+0.5%
Stout	100.00	+0.50	+0.5%

## Investment Companies

351	Healthcare Cost	199	-4	72	89	4959
352	Mid Power	304	-1	74	74	3954
484	Northern	630	-8	78	73	4959
368	Irish Ireland	300	-1	71	57	4959
482	Pure-Gon	494	+3	53	54	4961
271	Short Hydro	225	-	72	71	3788
230	Scottish Power	308	-	60	60	3959
837	Southern	643	-4	71	75	4959
650	Yokohama	737	-7	88	80	4959

**electronics**



# Matthew Clark woos institutions with payout pledge

Tom Stevenson  
City Editor

Matthew Clark responded to growing criticism from disgruntled institutional investors yesterday by promising a maintained interim dividend and offering shareholders the head of its branded drinks division managing director, Andrew Nash.

The cider maker yesterday denied that Mr Nash, who will leave the company in January, was carrying the can for the profits warning in September that caused its share price to plummet to less than half its previous level. But Peter Aikens, chief executive, has been asked to take direct control of that division, reordering Mr Nash's position.

Shares in Matthew Clark, which owns the Dry Blackthorn and Gynner's brands as well as premium bottled drinks such as Diamond White, closed 15p higher yesterday at 315p as the City drew some comfort from yesterday's evidence that trading had at least stabilised at the company. Following the warning, the shares tumbled from more than 600p and they had been worth over 800p as recently as the end of May.

There was relief too that Clark appeared to have taken the first steps towards recovery by announcing that it would appoint a marketing director to reverse the lack of investment in advertising its brands that some critics said lay behind the company's problems.

Matthew Clark stunned the City last month when it warned that competition from so-called alcopops had dramatically reduced demand for its premium ciders while price competition had damaged its mainstream brands.

Since the announcement rival HP Bulmer, which owns the Strongbow and Woodpecker brands, has made presentations to its shareholders suggesting that the market for



Michael Cottrell: The non-exec chairman died on Monday

cider is actually continuing to grow fast and disputing the argument that the main victim of the sudden rise to prominence of alcoholic "soft" drinks had been cider.

Many analysts agree with Bulmer that Matthew Clark's problems have really stemmed from its decision not to invest heavily in brand-building, considered by most drinks companies to be vital to continuing success.

Matthew Clark also announced separately that its non-executive chairman, Michael Cottrell, died in his sleep on Monday night. It is understood he suffered a heart attack.

His death is also thought to pave the way for a heavyweight

# Thames looks back on course

## THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Thames Water never resists an opportunity to crow about how its bills are the lowest in the UK while, almost alone among the privatised water companies, it managed to get through the summer with no restrictions on supplies. So much for customers. The story for investors has been rather less crystal clear.

The crux of the problem was the company's disastrous foray into international contracting, which culminated in the abrupt resignation of chief executive Mike Hoffman earlier this year and restructuring provisions of £95m. In the shake-out which followed Thames sold 60 per cent of its non-regulated businesses, which since privatisation had managed to accumulate losses of £70m and a lot of bad feeling among shareholders.

Yet all of a sudden things seem to have turned the corner. The £225m share buyback in July did a lot to help, of course, and losses in the remaining foreign operations have been cut back from £6.3m in the first half of last year to £1.6m in the same period this year.

Finally the penny seems to have dropped in the executive boardroom that it makes little sense to dish out shareholders' cash in risky diversifications when most investors would prefer to sit back and enjoy guaranteed dividends from the regulated domestic utility business.

A sounder explanation of this core strategy from the management is winning back the analysts. As one put it yesterday, "I've been negative about the stock for as long as I can remember, but for the first time I'm turning more positive."

True, the 15 per cent surge in profits to £188m in the six months to the end of September came mainly because earnings last year had been depressed by losses in the non-core contracting businesses. True also that about half of the 22 per cent dividend increase is accounted for by the share buyback, which spread the same amount of cash over fewer shares.

But in broad terms the outlook looks better than at any time since privatisation, political factors permitting. Hence the £150m discretionary investment programme announced today. Thames has cleverly spent its cash surplus on improving service quality, rather than customer rebates. The borrowing to pay for this should hit profits by £15m in five years' time.

In the light of yesterday's figures, analysts now expect full year profits to rise from £350m to £362m, which should lift the shares from a little below the yield falls from 7.5 per cent today to more like the sector average of around 7.5

per cent. That high payout ratio reflects worries about Labour's proposed wind-fall tax, but with gearing of 39 per cent Thames is going to have no trouble paying it. Good value.

## Zeneca shows its quality

Zeneca's third-quarter sales figures yesterday continued to demonstrate the quality of Britain's third-largest drugs group. Turnover of £4.1bn in the first nine months of this year represented a 14 per cent underlying improvement over the same period of 1995, or 12 per cent when currency effects are stripped out. The growth is well over double the rate recorded at the half year by Glaxo Wellcome, the industry's leviathan, and an acceleration on Zeneca's own figures for this time last year, when sales were 6 per cent up.

At first sight, the 38.5p mark-down in the shares to 171.5p yesterday seemed a churlish reaction. Admittedly, the price was hit by renewed political

worries emanating from the US. But bid speculation has sent Zeneca's shares soaring this year. They have outperformed the rest of the market by 26 per cent, with more than half that gain occurring since the beginning of August, allowing little room for disappointment. So news that sales by its pharmaceuticals division grew 14 per cent to £1.8bn in the nine months, slightly behind what some in the market were going for, provided an ideal opportunity to take profits.

The big question is where Zeneca goes from here. Its target of 15 per cent earnings growth puts it well ahead of British rivals. It is also rapidly putting its house in order and faces no major patent expiries until 2000. Some estimates suggest new products, principally from Zeneca's cancer franchise, will generate over £1bn of sales by the end of the century, or nearly a third of the total.

Some analysts, however, question the value of some of the new products. Accolate, for instance, hailed as the first new asthma treatment for 20 years, offers no advantage over long-standing inhaled steroids, according to some observers. Meanwhile, despite higher

ratings for US groups like Eli Lilly and Pfizer, it would be hard for a bidder to justify offering much of a premium above the current price.

Maintained forecasts of £1.02bn for this year put the shares on a rating of 24 times. A bidder may yet emerge, but holders who have seen their investment almost triple since the IC1 demerger in 1993 should look in some profits.

## Scottish Hotels presses ahead

Scottish Highland Hotels shrugged off the shelling last week of rival Principal Hotels' planned flotation. It is pressing ahead with its own market debut next month and yesterday signalled its confidence by sticking to the placing price of 125p a share it settled on in September.

With six hotels in Scotland's central belt and only 525 bedrooms, Scottish is small even by the standards of the overpopulated, fragmented hotel sector. Its biggest challenge will have been persuading investors that it has anything different to offer but sources close to the float say the placing, to raise £13m, was twice subscribed.

At the placing price, Scottish will be valued at £30.4m, just 12.4 times post-tax earnings, making it one of the most cautiously priced issues. The company said it would have paid a full-year dividend of 3p, representing a gross yield of 3 per cent.

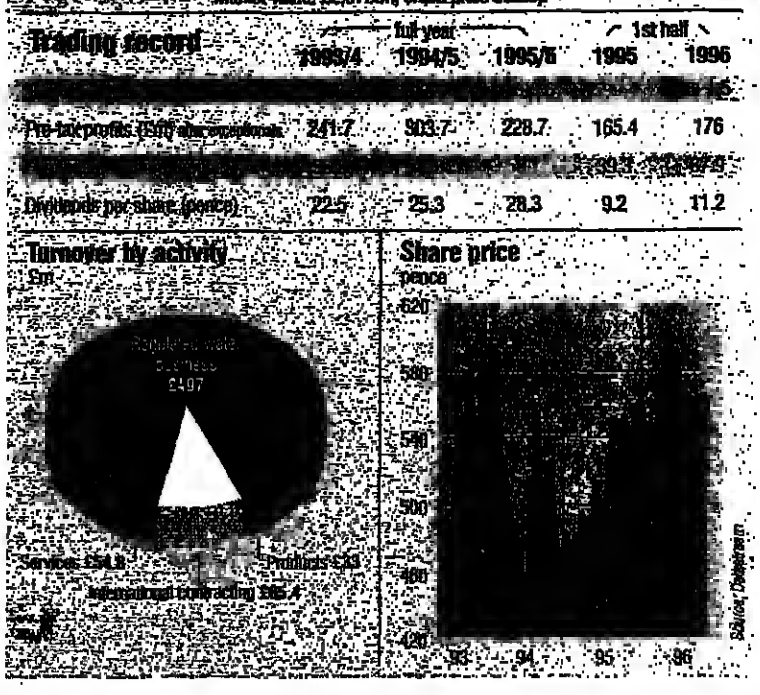
The former fiefdom of the Fimmers family, which remains a sizeable shareholder, the company fell on hard times in the recession and management control was relinquished to the professional operations team who had previously reported to the family. Hamish Grossart was brought in as chairman.

They transformed the company from a family plaything to a more focused business venture and since 1993, operating margins have risen from 21 per cent to a forecast of more than 30 per cent in the year ending tomorrow.

Profits for the period just closing are estimated at not less than £2.1m from sales of £16.5m, up from the £1.4m recorded last year before a one-off chunky exceptional gain that distorted the reported figure. Back in 1993, profits of only £242,000 were made from sales of £14.9m.

When dealings start on 11 November, Scottish should get off to a healthy start. Thereafter it will have to take its chances in a seriously overcrowded market.

## THAMES WATER: AT A GLANCE



# Fund managers set to desert Northern

Chris Godsmark  
Business Correspondent

Leading fund managers were on the verge of deserting Northern Electric last night as the regional electricity company sought to bolster its defence against the surprise £651m takeover bid by CalEnergy, the US power generator.

By the close of stock market trading, shares in Northern, which rose by 25 per cent yesterday, slipped back from 648p to 639p. At one stage they fell to 625p in early trading, 4.5p below the 630p price of the all-cash takeover offer from CE Electric, the company created by CalEnergy to launch its bid assault.

It emerged that the biggest seller in Monday's dawn raid by the US predators was Fleming Investment Management, which sold 5.4 million Northern shares, reducing its stake to 1.1

million. CE Electric had bought 12.72 per cent of Northern as the markets opened on Monday for £31m. Other sellers included Mercury Asset Management, the BP Pension Fund, Sun Life and Hill Samuel.

In addition, CE was yesterday believed to have picked up a further parcel of around 700,000 Northern shares at 630p, raising its stake in the company to more than 13 per cent.

Fund managers suggested Northern's chances of remaining independent in the face of the second takeover bid for the company in two years were fading. One suggested the management team had little more to offer shareholders because £500m had so far been paid out in fending off the failed £1.2bn takeover bid by Trafalgar House.

David Morris, the Northern chairman, has not ruled out further special payouts to encourage investor loyalty.

# Senior names new chief executive

Nigel Cope

Senior Engineering's nine-month search for a new chief executive ended yesterday when it appointed Andrew Parrish. Mr Parrish is a director of Williams Holdings where he heads the international coatings and fillers division. He will join Senior next January.

He replaces John Bell, who left the group abruptly in February after a disagreement over

strategy. Mr Bell's compensation for loss of office has been agreed but the company yesterday declined to disclose it. Mr Bell was on a two-year contract and last year earned £222,000.

Mr Bell was the third director to leave Senior in little more than a year. These included David Bebb, who stepped down as head of the group's thermal engineering division in 1994. He was paid £800,000 compensation for loss

of office which included the purchase of his house. Another former director, Kevin Gamble, was paid £135,000 compensation.

Senior, which makes specialist tubing and power station equipment, said Mr Parrish would be paid an annual salary of £265,000 plus bonus and a share incentive scheme. He will be employed on a two-year contract. Explaining why it had taken so long to fill the post the

company said there were a number of medium-sized companies looking for top directors but a shortage of quality applicants. "We wanted to make sure we got the right man," the company said. Mr Parrish, 51, has worked for Williams Holdings since 1991.

Shares in Senior have been rising recently as it has become tipped as a takeover target. They closed 1p higher yesterday at 120p.

# Psion finance director is replaced

Tom Stevenson  
City Editor

Psion, the hand-held computer maker that abandoned an attempt earlier this year to buy Amstrad, parted company with its finance director yesterday. Mike Langley, who had headed the finance function at Psion for 11 years, is to be replaced

"with immediate effect" by his number two, Marina Wyatt.

One analyst described the move yesterday as "brutal realism". He said Mr Langley, who had been with Psion since before its 1988 flotation, had helped grow the company from a £4m business to one now valued at over £300m but had reached the limit of his capabilities.

David Potter, chairman, said the parting had been amicable and promised a better pay-off for Mr Langley than his rolling six-month contract would legally entitle him to. Last year he earned a basic salary of £68,000, boosted by a bonus and other taxable benefits to a total package of £143,000.

Ms Wyatt, an Arthur Ander-

sen trained accountant, was described by Mr Potter yesterday as a "powerhouse". He said Psion's major challenge would be to keep her at the company.

The departure of Mr Langley is the latest growing pain for Psion, which was forced by a leak earlier in the year into admitting it was in talks that might lead to it buying Amstrad.

## IN BRIEF

- Mortgage lending fell from £6.03bn gross in August to £5.87bn in September the Council of Mortgage Lenders said yesterday, but was 23 per cent up on the £4.78bn lent in September last year. Net lending after repayments was a touch down on the month and year but approvals for future mortgages rose 2 per cent over August and more than 40 per cent on September last year.
- The British Retail Consortium proposed a series of measures to ease the transition towards a single European currency and halve the costs to retailers. According to a study by the consortium, the introduction of a single currency to the UK would cost the British retail sector up to £3.5bn. These costs would include staff training, re-labelling and the adjustment of operating and point-of-sale systems to handle the new currency.
- Retail sales of unit trusts fell by 40 per cent last month to £205m net, the industry association Aitiff said. Sales through advisers increased but for the second month running there was a small net surplus of redemptions over new sales direct to the public. In September the outflow was £38m against £25m in August.
- Airbus, the European planemaking consortium, has signed a deal worth \$720m (£450m) with Tap-Air, the Portuguese national airline. The order is for 18 single aisle A319 medium sized air-liners.
- Sir Iain Vallance, chairman of BT, has been elected a director of MobilCorporation with effect from 1 November.
- Insurance customers pay £1.1bn more than they need to by buying insurance the old-fashioned way, according to Ian Chippendale, chief executive of Direct Line. Conventional insurance premiums cost on average 34 per cent more than insurance bought over the phone, and banks and building societies alone pocketed £720m worth of unnecessary commission last year.

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## business

# UBS subsidiary faces Jersey fraud charges

Philip Jeune  
Jersey  
Jill Treanor  
London

A Jersey-based subsidiary of Union Bank of Switzerland, one of its senior managers and a former Deloitte & Touche partner in Nottingham face a total of 29 charges of fraud following investigations into alleged currency trading losses of \$26.7m (£16.6m). The investigation was carried out by the States of Jersey Police, which received assistance from the Serious Fraud Office.

Cantrade Private Bank Switzerland (CT), the offshoot of UBS, said it would deny the 12 offences it is alleged to have committed between 1988 and 1993. The bank has suspended Peter Stoneman, the manager allegedly involved, pending the outcome of nine charges made against him.

The bank and Mr Stoneman have been charged under the Investors (Prevention of Fraud) (Jersey) Law. The alleged offences relate to misleading and reckless statements and the concealment of material facts. The former Deloitte & Touche partner, tax adviser Alfred Williams who retired from

the firm's Nottingham partnership in 1994, faces eight charges alleging that he made reckless, misleading, false or deceptive statements.

All the 29 charges made yesterday relate to currency trading carried out in Jersey by a Dr Robert Young, who faced two separate fraud charges in Jersey's Magistrates Court in August. Some 90 investors, who placed substantial funds with Dr Young via Mayo Associates, Swiss investment managers, allege that huge losses were hidden from them.

He denies the charges and is on bail in Nottingham. He could not be contacted yesterday.

Mr Williams, who also could not be reached for comment yesterday, was an Inland Revenue tax inspector before joining Spicer & Oppenheim in 1989, becoming a partner of Touche Ross in 1990 when Spicer & Oppenheim was taken over by the firm. Touche Ross subsequently merged to form Deloitte & Touche.

The States of Jersey Police alleges that Cantrade Private Bank induced investors to take part in currency deals.

Cantrade Private Bank said in a statement: "The charges against the bank are being in-

vestigated and, subject to the investigation, will be contested. A plea of not guilty will be entered at the appropriate time."

The bank has been summoned to appear at the Royal Court in Jersey on 6 December to answer 12 charges. Mr Stoneman will appear on 6 November while Mr Williams will appear at the magistrates court on 6 November. Dr Young is not due to come before the court until next year.

While Deloitte & Touche does not face any criminal charges, the firm, along with Cantrade Private Bank, already faces civil action brought by Mayo Associates.

Mayo Associates claim that Mr Williams audited Dr Young's trading figures, which allegedly falsely claimed trading profits. Both Deloitte & Touche and Cantrade are defending the civil action which was initiated in 1994.

Deloitte & Touche said it did not act as auditor to the trading accounts and that Mr Williams, who retired in 1994, provided tax and accounting advice for Dr Young.

The 90 investors are also taking civil action against Jersey's Finance and Economics Committee which they say refused in



Peter Stoneman, the manager of Cantrade Private Bank Switzerland, a UBS offshoot, has been suspended pending the outcome of nine charges made against him

1994 to investigate their complaints about Dr Young.

At the time the committee decided not to investigate the bank under its regulatory powers following advice from its legal and financial advisers which said there were no grounds for concern about the bank.

While Cantrade Private Bank said Dr Young was not one of its employees, the investors allege that under a secret deal the commissions on the currency trades were shared between the bank and Dr Young.

Gill Bouchard, one of the investors in Jersey who is seek-

ing to recoup \$25,000 invested with Dr Young, said: "It's taken them a long time to bring the charges, but I'm glad they finally believe they have the evidence." The money was invested by her partner who has since died.

## Knight says no to a new Big Bang

Peter Rodgers  
Financial Editor

Angela Knight, the Treasury minister, yesterday rebuffed pressure from City regulators and the Labour Party for radical changes to the Financial Services Act.

Speaking at a conference to mark the tenth anniversary of Big Bang – the reform of the Stock Exchange – Mrs Knight said structural change would be "diversive (sic), expensive, disruptive for the industry and would take a considerable period of time".

Mrs Knight, the minister in charge of City regulation, said she had never yet found a group of people where "anything approaching a majority of those present are in favour of wholesale change of the Financial Services Act".

Changes would always be the result of a compromise in Parliament, and what the financial services industry wanted was not more change but stability, she said.

Labour plans to fold all the City regulatory bodies into the senior regulator, the Securities and Investments Board.

But it also became clear this week that the chief executives of several of the key regulatory bodies are pressing for big structural changes.

Richard Farrant, chief executive of the Securities and Futures Authority, and Colette Rowe, his counterpart at the Personal Investment Authority, are both thought to back a radical shake-up – but they disagree with the Labour proposals for a single authority.

Instead they favour a double-headed system in which regulation is split between a body responsible for the health of financial institutions and a second organisation devoted to financial consumer protection.

Mrs Knight said she preferred a streamlining of the existing system with "less box-ticking and bureaucracy".

In another Big Bang anniversary speech, John Kemp-Welch, chairman of the Stock Exchange, said the next 10 years would see a huge increase in demand for equities across the world, and London was well placed to take advantage of it.

In 1994 alone, nationalised industries worth \$60bn were privatised – from Moscow to Mexico City – and from now until the end of the decade a further \$160bn of equity would be sold, of which about 35 per cent would go to outside investors. He added: "Even in the former USSR privatisation figures are startling with more than 40 million Russians holding shares."

## Bentsen does his bit to harvest more sales as new boss

### PEOPLE & BUSINESS

Lloyd Bentsen, the former US Treasury Secretary who served in the first two years of the Clinton administration, has been appointed chairman of New Holland, an agricultural equipment maker based in Brentford.

Not that the former American Treasurer will himself be based in Middlessex. He's staying in New York.

New Holland is roughly the third- or fourth-largest tractor and combine harvester manufacturer in the world, and was created when Ford folded its agricultural operations into Fiat's own division in 1991. On Friday New Holland lists on the New York stock market with an estimated cap of \$3bn, and Fiat will sell 31 per cent of the company.

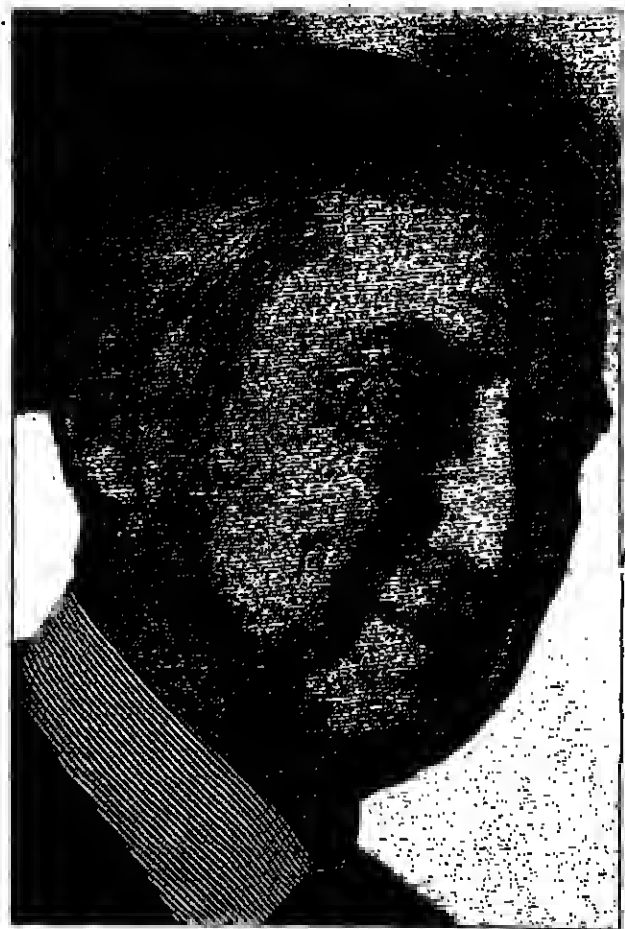
In an uncanny echo of Sir Robert Mark, the former senior British policeman who made those risible tyre ads – "these tyres make a significant contribution to road safety" – Mr Bentsen says: "As one who has for many years owned farms, I can attest to the high quality of New Holland's agricultural equipment."

Merrill Lynch, the giant American investment bank that swallowed London's Smith New Court, is making up for this economic imperialism by recruiting its first non-American to the board of directors, David Newbould.

He is best known at the moment as chairman of Equitas, the reinsurance company that has taken on the old liabilities of Lloyd's of London. More to the point, as far as Merrill is concerned, Mr Newbould was born in China and has spent much of his life as a big wheel with Jardine Matheson, becoming chairman and senior managing director in 1975.

Having worked throughout the Far East, he retired from Jardines in 1983, came back to London and chaired Rentokil and Ivory & Sims. As Merrill's chairman, Daniel P. Tully said yesterday, "his extensive experience throughout the Asia/Pacific region and in the UK will be an enormous asset." Quite so. Merrill also announced that David H. Komansky, 57, who is president and chief operating officer, will succeed Mr Tully when the latter turns 65 next year.

To the plush Park Lane Hotel yesterday for the final of the Adam Smith Institute "Economy in Government" competition, presented by Lord Parkinson of Caradorth over a sumptuous lunch. The laudable aim of speeding



Endorsement: Lloyd Bentsen, a former Clinton aide

taxpayers' money more efficiently drew an impressive field, and the winner was David Mills, a pharmacist from Broughby Ferry in Tayside, who has designed a revamp of the NHS prescribing process.

Sponsors Ernst & Young assured the eight finalists that they were "all winners". A wife of one of the finalists described the process as "just like Miss World" with the winners being announced in reverse order. Spying the former cabinet minister, she remarked: "He really is a smoothy, isn't he?"

Indeed, Lord Parkinson held the audience spellbound with his presentation speech, in which he remarked that "one reason we have such clean politics is that we have a top grade civil service."

Clean politics? He hasn't lost his touch. The current US presidential election campaign may be a cure for insomnia, but the Athenaeum Hotel in London has pepped it up.

The hotel asked 320 US and UK businessmen and women who stayed there in October to nominate who they would like to vote for.

Three-quarters of those polled were Americans, so the answer, former Gulf war

hero Colin Powell with a quarter of the votes, was not that surprising. Clinton and Dole crawled in with a miserable 2.8 per cent and 2.2 per cent respectively.

More fun were some of the other combinations, including Winston Churchill, Prince Charles, Yasser Arafat, Wyatt Earp, Oscar Wilde and Errol Flynn. My favourite however was "me".

Our very own market reporter, Derek Pain, is about to pass on the baton of Stock Market Writer of the Year to the next winner. The In-chape Falschaw Award is about to be announced, at the same time as the "Goome Trophy" – an annual darts match between City spin doctors and journalists. The trophy is named after the late Tony Falschaw, a keen darts player, nicknamed "the Gnome", who was the stock market writer for the Daily Mail for many years.

The organisers are panicking, however, since so many darts-playing journalists have jumped the wire and become PR people. They note: "As the PR team usually win the trophy, is this a last-ditch attempt to be on the winning team?" Probably.

John Willcock

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## Foreign Exchange Rates

STERLING				DOLLAR				D-MARK	
Country	Spot	1 month	3 months	Spot	1 month	3 months	Spot		
UK	12601	8-8	21-9	1000	—	—	06821		
Canada	2881	38-34	102-104	13454	19-18	60-58	06821		
Germany	24038	98-52	77-63	14043	21-20	68-65	06821		
France	81293	67-57	100-458	51075	90-85	273-283	06821		
Italy	24-27	45-58	125-147	5072	243-48	820-820	06821		
Japan	98171	167-57	240-243	1163	21-20	68-65	06821		
SDI	12601	27-10	58-31	12622	12-14	44-45	06821		
Bulgari	50137	14-10	38-31	31410	75-55	213-82	06821		
Denmark	93488	18-18	33-41	10885	39-39	236-247	06821		
Finland	27284	74-58	213-26	1084	16-16	60-60	06821		
Ireland	10892	1-3	4-6	12823	3-2	8-4	06821		
Norway	10256	182-70	270-10	33378	50-25	18-69	06821		
Spain	23488	5-25	42-42	7223	16-20	40-40	06821		
Sweden	10256	11-3	35-32	85330	41-15	98-101	06821		
Switzerland	22421	781-71	248-247	12965	45-42	10-10	06821		
Taiwan	23488	15-20	35-40	10386	16-16	60-60	06821		
Hong Kong	12418	610-210	88-440	77822	2-0	2-7	06821		
Malaysia	40343	0-0	0-0	23550	27-30	80-85	06821		
Philippines	23488	74-58	213-223	14071	54-56	23-25	06821		
Saudi Arabia	62805	0-0	0-0	37565	1-4	1-9	06821		
Singapore	22759	0-0	0-0	14000	24-18	70-65	06821		

### OTHER SPOT RATES

Country	Spot	1 month	3 months	Country	Spot	1 month	3 months
Australia	12000	10855	10855	China	05290	23850	23850
Brazil	18000	10855	10855	France	05290	23850	23850
Canada	133752	10855	10855	Germany	05290	23850	23850
Denmark	54023	10855	10855	Italy	05290	23850	23850
Finland	72697	48270	48270	Japan	05290	23850	23850
France	27000	10855	10855	Philippines	05290	23850	23850
Germany	27000	10855	10855	Russia	05290	23850	23850
Greece	27000	10855	10855	South Africa	05290	23850	23850
India	572994	355000	355000	Sweden	05290	23850	23850
Indonesia	04222	10855	10855	Switzerland	05290	23850	23850
Nigeria	12359	10855	10855	UAE	05290	23850	23850

Note: Forward rates quoted here in two ways: a) discount basis from spot rate, b) bank discount from spot rate. Bank discount from spot rate is in parentheses (b/d) to spot rate. "Other" rates quoted on bank discount basis. Forward rates are for 12 months unless otherwise stated. Cash rates for 12 months (cash rate) are also shown.

## Tourist Rates

£/100p			\$/100p			DM/100p		
Country	Spot	1 month	Country	Spot	1 month	Country	Spot	1 month
Australia	12000	10855	France	27000	10855	Norway	10256	182-70
Canada	2881	38-34	Germany	24038	98-52	Philippines	23488	74-58
Denmark	93488	18-18	Hong Kong	12418	610-210	Russia	05290	23850
Finland	27284	74-58	India	572994	355000	South Africa	05290	23850
France	27000	10855	Indonesia	04222	10855	Sweden	10256	11-3
Germany	27000	10855	Italy	24-27	45-58	Switzerland	22421	781-71
Greece	27000	10855	Japan	98171	167-57	Taiwan	23488	15-20
India	572994	355000	Philippines	23488	74-58	UAE	05290	23850
Indonesia	04222	10855	Russia	05290	23850	USA	1000	—
Italy	24-27	45-58	South Africa	05290	23850			
Japan	98171	167-57	Sweden	10256	11-3			
Philippines	23488	74-58	Switzerland	22421	781-71			
Russia	05290	23850	Taiwan	23488	15-20			
South Africa	05290	23850	UAE	05290	23850			
Sweden	10256	11-3	USA	1000	—			
Switzerland	22421	781-71						
Taiwan	23488	15-20						
UAE	05290	23850						
USA	1000	—						

## Interest Rates

Country	Rate	Country	Rate	Country	Rate
UK	5.75%	Germany	2.50%	US	Prime
Spain	5.75%	Denmark	4.50%	France	Discount
Italy	5.75%	Canada	4.50%	Japan	Discount
Finland	5.75%	France	5.00%	Sweden	Discount
Denmark	5.75%	Sweden	5.00%	Switzerland	Discount
France	5.75%	Switzerland	5.00%	Norway	Discount
Germany	5.75%	Norway	5.00%	Philippines	Discount
Italy	5.75%	Philippines	5.00%	Russia	Discount
Japan	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
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Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
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South Africa	5.75%	Switzerland	5.00%	Norway	Discount
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Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
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Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
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Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
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Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
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South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
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South Africa	5.75%	Switzerland	5.00%	Norway	Discount
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South Africa	5.75%	Switzerland	5.00%	Norway	Discount
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Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
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South Africa	5.75%	Switzerland	5.00%	Norway	Discount
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Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5.00%	Russia	Discount
Norway	5.75%	Russia	5.00%	South Africa	Discount
Philippines	5.75%	South Africa	5.00%	Sweden	Discount
Russia	5.75%	Sweden	5.00%	Switzerland	Discount
South Africa	5.75%	Switzerland	5.00%	Norway	Discount
Sweden	5.75%	Norway	5.00%	Philippines	Discount
Switzerland	5.75%	Philippines	5		







## Esteem heads for stud

**Auction man:** There's an art to this. You don't want to bid early and drop out - you'll get a reputation as a time-waster Photograph: Peter J...

"Are you sure the pen is still up?" – and at \$8,000/penn, Berry finally prevails. Champagne and congratulations transform the whole ordeal into scraps of an after-dinner tale (see Deuters: "How many? Just one more!" do we have?).

Berry briefly joins the celebrations before returning to work: there are fresh yearlings on show and a certain son of Puissance to evaluate. The lot keep on coming as day slides into chilly twilight; Berry grabs his coat.

**FORM GUIDE**

**Wine Approach** made the most of the last-advance minute of Morlin's Dream to hold his renewed chances during three miles at Hurnington last month, but 24 hours later he just missed out in a driving finish to PHILIP'S WOOD over this trip at Worcester, Antioch-redder than the Wine Approach, which was a little better than it was in October, and is too tight to be close between them again, but Philip's Wood may be shrewd for first try outing of the season and thus suffer track trouble also as more to his rung he seems ready for a step up in distance. The Jordania has won all his races on left-hand courses, mostly in the early part of the season, and is well suited to prevailing fine grounds. He has trailed To Be True to a length over this trip at Wenbury last October and a pair behind General Command and Wine Approach's stabilizer Clemex. In that same race a fortnight ago will have set up nicely for this. With so many things in his favor, such as Adam Maguire in the saddle, he can't be expected to lose. He is a good runner, but he is not a great one. He was always held back when making a mistake at the final fence behind Adeken at Farnwell last time. He has yet to regain his decent form but has a better chance than Chancel Palace. Twelve weeks or so for just holding the fate run of Philip's Wood at Ludlow in April and a long way behind him at Worcester last time.

Selection: PHILIP'S WOOD

**4.30 WEATHERBYS STARS OF TOMORROW NH FLAT RACE (CLASS B) £2,000 added 2m 110yds Penalty Value £1,604**

COURTNEYMAN (Kilnsey) P J Edwards 5.11 11.11 Mr E Potts (7)  
DERRING DONKEY (H) Nick Parrell N Parrell 8.1.4 Mr A Spence V  
FSCO LINDO (L) Keaden, P Plummer, R Soden J Bridgwater 5.11 11.11  
STICKEDWITHTHEBITTERNESS (H) S Bodenhamer J Bodenhamer 5.11 11.11 Mr J Johnson

5        **TOTAL FORCE** (Ian S. Hobbie) 5 Hobbie 5 21 ..... D ) Kenneth (8)  
6        **BURRPOURS FOR SCORP** (Philip H. Dixon) 4 13.3 ..... D ) Wayne (7)  
7        **WILLIAMS INDULGE** (E. J. Williams) 12 12 ..... D ) Williams (12)  
8        **LOWE LADY** (Cory) (Foxy Scoobies) C Martin 4 32 ..... D ) Mages (3) 8  
9        ..... B - dashed -  
10        **BETTING:** 7-4 Total Force, 2-1 Coorsberry, 4-1 Lane, 5-1 Luffy Foley, 18-1 Williams Razzmatazz, Burrpours For Scorp, 20-1 Scoobies/Chatterbox, 20-1 Denning Gable

**FORM GUIDE**

The Strong Gale rememberer Thelma was placed, chiefly because Philip Hobbie has not yet placed in three events and they should not take much winning. One of new trainer Andy Hobbie's (no relation) three winners were Dab in a 10-runner NH Flat race at Worcester last month. Owen Burrows was on Hobbie's recent Hawthorn winner Thelma and now rides Williams Razzmatazz. Any money for the High Season Goldwyn would go over whether he is the winner in Dab's hands. Edwards can usually be relied upon to have a handeled candidate in these burppur races. He Herbit Golding's Razzmatazz is out of a Strong Dab mare and a pedigree line that suggests he should have the ability. Lammie's third to hualish at Womwick in May was a fair effort and gives him fair prospects in this race. He is a new horse and he is a new horse for the first time could make him a danger. There was plenty of confidence in her at Hurrington first time out and the wean't disgraced in a big field at Bangor last time.

[illegible][illegible]

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## RUGBY LEAGUE: Injury worries increase for depleted Lions. Dave Hadfield in Christchurch reports

# MCC IN DISARRAY



Hatt: stomped in '29

## AS MEMBER FOUND SMINTED IN LONG ROOM

AN EMERGENCY meeting of the MCC Committee was called today to discuss the case of Brigadier Albert E. Hatt, who was sminted in the long room during the recent match between the tourists and Middlesex.

He was fast asleep at the time and, although badly shaken, the Brigadier (two matches for Cambridge in 1929: 0, 0, 0, 0, 3-0 54-0) recovered quickly. An MCC spokesman said: "It appears we have a sminter in our midst. We don't have too much to go on - just a couple of small rectangular blue packs found in the bar.

It's happened once before when one of the Australian tour party was found sminting on the player's balcony. It was captured on TV, so he didn't have a leg to stand on, but this time, it's a bit trickier."

From his home in West Climping, the Brigadier is pursuing his own line of enquiry. I'm sure there's a link between the dark blue of Cambridge and the dark blue of these mysterious packs that turned up in the bar, but so far I'm stumped."



### MAKES YOUR MOUTH A MUCH NICER PLACE.







## SPORT

**YOUNG LION DETERMINED TO END TOUR ON A HIGH**  
Great Britain's rugby league captain talks to **Dave Hadfield** Page 26

# FA must avoid a moral crusade against Gascoigne

It used to be harmless japes – false breasts, belching, silly haircuts. Not that funny really, but not very threatening either. Then came darker tales, the hinges on food and alcohol, the mild paranoia, the occasional aggressive reaction to an over-intrusive paparazzi.

Still, the damage was largely self-inflicted and the latter incidents were understandable, even for a man who appeared to court publicity while feeling imprisoned by it. Now the tragedy of Paul Gascoigne has sunk to new depths. Or rather, returned to them. That Gas-

coigne beats his wife, as has been alleged – and not denied – is not new. He confessed to repeatedly doing so a couple of years ago when she was still Sheryl Kyle.

The latest revelation has prompted a chorus of voices calling for Gascoigne to be dropped from the England squad to be named on Friday for the game in Georgia next Saturday. Yet there was no such outcry the first time. Surely it is no less reprehensible to beat up a girlfriend than a wife.

The difference is in the timing. These allegations come when there is a new mood



Despite the calls, England's coach should not make an example of his troubled midfielder, says **Glenn Moore**

abroad. Politicians are scrambling to be seen as good Christians while few hearts have not been touched by the Snowdrop appeal and Frances Lawrence's call for a new moral order. Dropping Gascoigne, goes the cry, would strengthen this movement by setting an example to violent men everywhere.

Yet it would be wrong for the Football Association to be drawn into a moral crusade. Gascoigne has not been charged with any

offence, let alone convicted. If Mrs Gascoigne or the police take matters further the situation changes, but it is not the FA's place to play judge and jury.

And would dropping him help anyone? Violent partners tend to take their lead from what they have observed of their own families in childhood, and from their social milieu, rather than from their heroes. Setting an example only works when rational behaviour is involved; prevent-

ing partner-battering requires expert treatment of the individuals concerned not well-meaning gestures.

That Gascoigne himself needs help is self-evident and has been for years. But he also needs to play football – more so than most players. Being part of the England squad, under the guidance of Glenn Hoddle, will be far more beneficial than sitting alone in his Scottish mansion dwelling on his thoughts. Gas-

coigne has taken the first step in asking Beechy Coldough, a confidant to Paul Merson and Elton John among others, for help. Now Hoddle, and his peers, can help him find the strength to take things further.

If the England team is to be picked on morally why stop at Gascoigne? Friday's squad is likely to contain a convicted drunk-driver who may well be captain, a player in constant trouble with the football authorities who was accused of breaking a fellow professional's nose barely a week ago, another who once trashed a hotel room

on England duty, a recovering addict, and a number of alleged philanderers. Football reflects society.

Some believe it can also shape it but, even if that were true, it cannot do so alone. We have a Government which has been embroiled in sleaze for years, a Royal family stained by adultery and a rock industry whose Acus are drug-taking drunks. Even the church has suffered a series of high-profile scandals. How much influence can a game of football have in that company?

If Hoddle drops Gascoigne



Gascoigne: Seeking help

it should be because he believes his mental state is not right, or because of his fading powers as a footballer, not because he is told to by the chattering classes.

Suzanne Moore, *Tablet*, page 2

## Clark hopes Pearce can provide lift

Frank Clark is putting a brave face on Nottingham Forest's plight near the foot of the Premiership table. Their 1-0 defeat at home to Everton on Monday night took their run of league games without a win into double figures.

While Clark is finding Forest's slump as difficult to take as the club's increasingly frustrated fans, he is determined to maintain a positive outlook.

"It's hurting me being where we are," he said. "I'm not enjoying the job too much and I'm not sleeping too well. But you can't walk around with a long face when people are looking to you to give them a lead."

Clark said that there had been "a lot of soul-searching" among staff and players in the wake of Forest's 4-1 defeat at West Ham in the Coca-Cola Cup last week, leading to a change of emphasis in training.

"Since then we've been trying to do more constructive work on the training field to give the players a helping hand," he said.

"When I first came here I laid down a basic structure for the players. I gave them a loose framework around which to perform. But with the team lacking confidence, we are now trying to do this and that to give

them a platform to turn it round."

Clark puts Forest's problems down to a combination of lost confidence and injuries to key players. "Confidence is a very elusive thing," he said. "We came here for our first home league game against Sunderland feeling full of ourselves after that marvellous performance at Coventry. But we found ourselves 4-1 down at half-time and we don't seem to have recovered from that."

"We've also lost a couple of key players in Steve Stone and Kevin Campbell and the problem has been compounded because the two players who were obvious replacements for Stone, Steve Howe and Paul McGregor, have also been injured."

Clark is hoping that Stuart Pearce and Campbell will be fit to return for Saturday's trip to Aston Villa. Pearce has missed the last two games with a back strain while Campbell, who has been out for 10 matches, recovered from hamstring trouble only to suffer an ankle injury.

"We're quite optimistic that they'll both be OK for Saturday," said Clark, who knows both players can give Forest a badly needed lift. Campbell, who scored a hat-trick in Forest's last league win at Coven-

try on the opening day of the season, could provide the firepower that is missing from their attack, and Pearce is an inspirational figure.

Meanwhile, Joe Royle admits his Everton side have not been firing on all cylinders despite three successive wins in the Premiership. Royle thinks Everton were below par against Forest and in the 2-1 home win over West Ham 16 days earlier.

"We haven't done badly lately, with three wins and a draw in the last four games, but we've ground out results and I don't think we are anywhere near the finished product," he said. "We've only shown little flashes of what we can do and we can play an awful lot better."

Duncan Ferguson, who has completed a two-match suspension, is set to return for next Monday's home game with struggling Coventry.

Ferguson's suspension and the absence of Paul Rideout have paved the way for Michael Branch and Graham Stuart – both 5ft 9in tall – to form a small but nimble strike pairing.

But Royle said that Branch would be gradually eased into Premiership football. "He's an exceptional talent and he won't be overplayed," Royle said. "He'll be in and out for a while."



Jim Courier, of the United States, hits a volley against Arnaud Boetsch, of France, during their second-round match at the Paris Open yesterday. Boetsch beat the former world No 1, 6-4, 7-5. Photograph: Jacky Naegeler/Reuters

## Everton secure £5.75m Barmby

CATHERINE RILEY

Middlesbrough's England international forward Nick Barmby last night joined Everton for £5.75m. Liverpool and Leeds had also been linked with the 22-year-old when Bryan Robson, the Middlesbrough manager, announced last week he was prepared to receive offers for the former Tottenham player.

Barmby made 49 appearances and scored 10 goals for the club, becoming Middlesbrough's leading scorer last season, although he has only one goal to his credit in the current campaign.

Irving Scholar, the former chairman of Tottenham Hotspur, has joined the race to take over Nottingham Forest. Scholar is part of a three-man consortium bidding to buy the struggling Premiership club.

He has joined multi-millionaire Lawrence Lewis and businessman Phil Soar to table a £30m bid, and the consortium plans to invest at least £10m into the club straight away and raise the other £20m through a Stock Exchange flotation.

There are three other bidders – video tycoon Grant Bovey, a local consortium and an Indonesian billionaire – and Forest's shareholders will discuss the bids at their AGM tomorrow.

Roy Keane has been recalled to the Republic of Ireland squad for their World Cup qualifying match against Iceland in Dublin on 10 November. The 25-year-old midfielder has missed the Republic's last nine international games, and on his last appearance was sent off in the final minute of a 2-0 defeat by Russia in a friendly.

The Danish striker Dan Petersen, a target of Blackburn's former manager, Ray Harford, could still go to Ewood Park after being offered a trial at the Premier League's bottom club. Meanwhile, Spanish side Sevilla have joined Rovers in the battle to sign Brazilian World Cup striker Bebeto from Flamengo.

Cyrille Regis, the 38-year-old Chester City striker, has taken the advice of a specialist and retired rather than risk aggravating a persistent calf injury.

The office of Arsenal manager, the Arsenal manager, was burnt down in a blaze which wrecked part of the Premiership leaders' training-ground headquarters near St Albans in Hertfordshire. The fire is believed to have been caused by an electrical fault on a washing-machine. It was not the best day for Don Mackay, the former Fulham, Blackburn and Coventry City manager, to arrive as Arsenal's new north-eastern area scout.

Meanwhile, midfielder David Hillier is still waiting to cut ties with Arsenal after a further delay in his proposed £300,000 move to Portsmouth, who are believed to be lagging over Arsenal's valuation of the player.

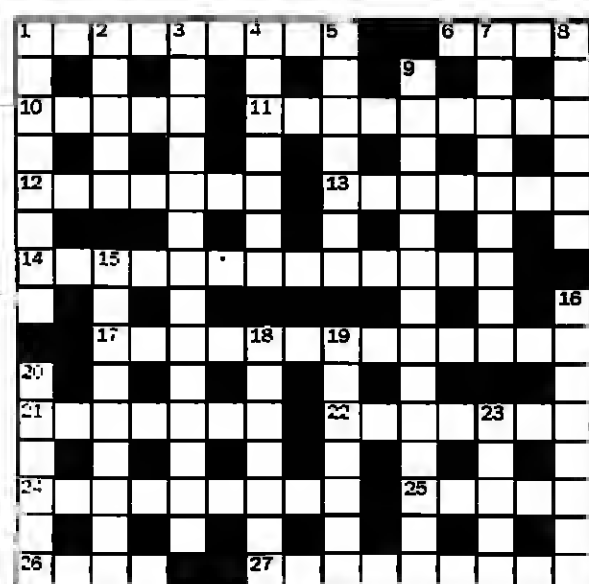
More football, Ireland squad, page 27

### THE INDEPENDENT CROSSWORD

No. 3131, Wednesday 30 October

By Aquila

Tuesday's Solution



- ACROSS**
- 1 A quarter, meeting loose scrum, is knocked out (9)
  - 6 Profits from famous escapade (4)
  - 10 Fashion design (5)
  - 11 Drunken type can so upset normal rhythm of bars (9)
  - 12 Second test? (7)
  - 13 Berlin's musical floor-show (7)
  - 14 What's the odds of racing tipster being right? (8,5)
  - 17 Mediterranean island powerless, for example, in warning King of Persia (5,3,5)
  - 21 Keystone of Egypt? (7)
  - 22 Former name of country house with light outside? (7)
  - 24 I fall, poor drunk, for early practical joke (5,4)
  - 25 Cruise to keep rugby out of the country (5)
  - 26 Patriotic Swiss count? (4)
- DOWN**
- 1 Incomprehensible, playful bosset swallowing game! (8)
  - 2 Demented Peugeot got out of the country (5)
  - 3 Interest the law, perhaps, in dramatic account of Sicilian characters? (3,7,4)
  - 4 Crushed lupins with love-letter from Greece (7)
  - 5 Sovereign draught made from marsh marigold? (7)
  - 7 Deep breath? (3,6)
  - 8 Seat is abandoned for the rest of the afternoon (6)
  - 9 John's sceptic questioning Welsh poet (8,6)
  - 15 Going up the line from Lancaster, changing (9)
  - 16 Triangular piece of canvas settles trouble (8)



- 18 John Dory of Wales, it turns out (3,4)
- 19 This nobleman out real in Spain? (7)
- 20 Utter security, taking women out? (6)
- 23 Fruit to give a guy energy (5)

## Ferguson mans the barricades

The vultures gathered in the Old Trafford press suite yesterday, writes Glenn Moore. Suddenly there were 11 reasons to suspect that, contrary to expectations when the draw was made, Fenerbahce could beat Manchester United in the Champions League tonight.

Their visitors certainly believe they can. Fenerbahce do not have a very high opinion of Graeme Souness, not after he planted a Galatasaray flag in their pitch last season, and not after they deposed his team as Turkish champions. So they were encouraged that his new team, unheralded Southampton, had followed Newcastle's quintet of goals with six of their own.

"When he was in Turkey Souness didn't know anything about football," said Uygun Bulent, one of the Fenerbahce players. "If his side can score six against United, then why can't we beat them on Wednesday?"

Are United in crisis? That was what the press wanted to know yesterday. After a few minutes discussing injuries with

Alex Ferguson the first tentative inquiry was broached: "Is it a relief to have the opportunity to get the show back on the road after the last two games?"

"Why are you talking about that, why do you think that should be on my agenda?" Ferguson rapped back. "I've got a game tomorrow, we always look forward to a European tie here."

"Do you put it down as an aberration?" came another attempt. "I'm not discussing it. Why should I?" the United manager replied.

The press are nothing if not persistent so, a minute later, there was another try. "Alex, you've obviously dismissed the last few results. Do you think it will be preying on your players' minds at all or are they just as..."

"Let me stop you there right now," Ferguson interrupted. "I'm not discussing anything that has happened before. Right? You've heard me saying that twice. It is not on my agenda. You can talk about it – you'll do plenty of talking about it – I don't see why I should."

Phew. "Angry Fergie feels the

strain"? It does not look too good and it did not sound too good but the words are deceptive. Ferguson does have genuine rage but he is also good at staging them. Yesterday there was a feeling that, any moment, he would crack into a grin and indeed, 10 minutes later, he had mellowed and said: "We don't forget it but we don't dwell on it. There is a difference. There is no gain for me to dwell on it, once I have had my say on Saturday it is over. Why leave it to Monday when you know on Saturday."

By now he was even slipping in a joke or two. "Jock Stein said to me 'sort it on Monday'. I tried it once, hopeless. I'm in too good a mood – I can't ruin the image. You have got to be able to assess there and then rather than wait to Monday. You could have read the papers by then, been exposed to other influences. I had a manager once said to me: 'My butcher thought you were offside on Saturday'. I said: 'Did you think I was offside?' He said: 'I never saw it'. A butcher?"

"I have a big game coming so obviously we have tried to take

the more positive side of it. I think the players will be ready for it. It is a great night for them, a great opportunity."

United have injury doubts over Gary Pallister and Nicky Butt. Pallister is very doubtful, Butt just doubtful. Ryan Giggs is already out. Fenerbahce have doubts over Denmark's Jes Høgh and Bulgaria's Emil Kostadinov.

Ronnie Johnsen is set to replace Pallister in a flat back four with David Beckham and Jordi Cruyff flanking Butt and Roy Keane in midfield. However, if Butt is unfit Ferguson is likely to change the complexion of the team with Phil Neville coming in, possibly in a five-man defence.

"Fenerbahce have to win it," Ferguson added. "It could be a really good, open match."

The last time United had a really good, open match against a Turkish side at Old Trafford they were held to a 3-3 draw by Galatasaray and went out. A salutary experience but, one which is unlikely to be repeated. United to win, and put those crisis headlines to rest.

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